THE
Freeman
IDEAS ON LIBERTY

AUGUST 1962

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THE Freeman

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The British Nationalized Health Service

GEORGE WINDER

THE LATE Lord Horder, who was one of Great Britain's most distinguished surgeons, speaking prior to the time Britain's medical system was taken over by the state, said, "It is universally acknowledged that our health services are the best in the world."

It is probable that a good many other countries will have made the same claim so we shall not press the point except to say that in 1948, when a socialist government established the British National Health Service, it took over a medical system well up to the standards of the time.

Yet that government seems to have been quite certain that once in the control of the state this system would improve. Many socialist Members of Parliament claimed that the country had, in fact, no medical organization, for they could not conceive of such a thing without a central authority to guide it. The central control which they established would, they believed, not only secure a more efficient medical service but would also ensure a cheaper one. The expected cost of the new National Health Service had been carefully worked out beforehand by the famous economist, now Lord Beveridge, who arrived at an estimate of £170 million a year. This was less than the £180 million which all medical services were believed to have cost the people in private expenditure before the war. Moreover, it was claimed that this figure should not have

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changed much by 1965; the improvement in general health which the nationalized services would bring about should prevent any increased costs.

Britain's National Health Service has now functioned for fourteen years so let us see to what extent the high hopes for it have been fulfilled.

The Estimate Was Low

The first and most obvious fact is the gross error in the forecast of costs that was made by Lord Beveridge. In its first year the nationalized service cost not £170 million but £377 million. The figure has risen year by year; in 1960 it cost £820 million of which only £23 million was for capital expenditure.

The British Cost of Living index shows that most prices were multiplied by three between 1938 and 1960. Medical costs, however, are more than four and a half times what they were. This, as we shall see later, has been due, not to any increased remuneration going to doctors, but chiefly to increased hospital expenses.

Below are the published costs of three famous hospitals, in 1938 when they were charitable trusts, and in 1960 when they were state institutions.

These show a rise of costs from six to nine times – far above any increase which can be accounted for by inflation. These figures are typical of an increase which has taken place in all of Britain's hospitals. Administrative costs, included in the above figures, have risen from eleven to eighteen times although hospitals no longer have to collect funds from many sources as they did under the old system.

The rising costs of drugs and pharmaceutical preparations have also been of concern to the government. In 1950 these were £37 million and in 1960, £89 million. In 1951, in an effort to prevent waste,

Hospital	Number of beds		Average weekly cost per patient	
	1938	1960	1938	1960
Guys	690	630	£6/ 3/ 8	£36/10/11
Charing Cross	293	286	£4/10/ 1	£36/14/11
Royal Portsmouth	250	205	£2/ 9/11	£23/ 8/10

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the government imposed a charge of one shilling on each prescription. This was increased to two shillings in 1961.

Both these charges were hotly resented by the socialists as being departures from their principle of free medicine. As a socialist Member of Parliament once expressed it, "If the Tories laid their sacrilegious hands on the Health Service, which the Opposition regarded as the very temple of the nation's social security system, the Labour Party would fight it with the same determination which they had brought to fighting the Rent Act." Such tirades, however, had no effect on the conservative government in its determination to enforce these minor charges, even though they have not stopped the rise in total cost of drugs and pharmaceutical preparations.

Better Service?

That all British medical services cost so much more in real terms than they did before they were nationalized might be tolerable if the services the people receive had correspondingly increased. But, who can value that intimate association which should exist between the patient and his doctor? Under the old system of free enterprise the doctor was an authoritative master, a trusted friend, and at the same time a servant of his patient who must pay his fee. Under the system now practiced in Great Britain, much of this excellent relationship is undoubtedly retained; nevertheless, it is interrupted by an invisible stranger in the form of a higher medical authority peering over the doctor's shoulder with power to criticize his work and inflict a fine upon him if he is too experimental in his treatment or prescribes too many expensive drugs. The doctor is no longer the servant of the patient but of the National Health Service.

The importance of this change in the doctor's status is difficult to measure. The old traditions are still a powerful force with every honest doctor, but there can be no doubt that the former relationship between the doctor and his patient is slowly being undermined; and this tendency will increase as control passes to a younger generation of medical men who have never known the old ways.

There is little doubt that if the matter were put to a vote the British people after 14 years of experience would still endorse the nationalized system. But this by no means indicates that they are getting better medical services than before; it merely means that they mistakenly believe such services are now costing them nothing.

To the man who is ill, the fact

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that he can call on a doctor and pay no fee seems to be such an obvious boon that he usually is oblivious to the price he is in fact paying. Thirteen per cent of the cost of the National Health Service is paid in National Insurance Contributions, 4 per cent in minor charges, and the rest in general taxation. This supposedly free medical service costs an average of over a pound per week per family. One would have to be very ill to pay more than this in direct fees. It is this lack of association between services rendered and payments made which induces the British voter to turn a blind eye to the defects of his National Health Service.

The Function of Price

As everyone knows, the strength of a demand for any service very largely depends upon its price. When the state took over Britain's medical services and announced that in the future they were to be free, there was an instant and unprecedented increase in the demand for them. Under free enterprise whenever there is a great increase in the demand for any service there is almost always a consequent increase in its supply. Does the same principle apply to socialized medicine? At first glance, yes. In 1952 there were 27,879 doctors employed by the National Health Service either in hospitals or as general medical practitioners. The number had increased by 1960 to 32,223. The greater increase took place in the hospitals where the number of salaried doctors rose from 9,650 in 1950 to 12,300 in 1960, that is, by 27 per cent. During the same period, however, the number of staffed hospital beds increased only 4½ per cent, from 453,000 to 473,000. This can be contrasted with a 33 per cent increase between 1929 and 1938 under the competitive system. In 1935 there were more hospital beds in Britain per thousand inhabitants than there are today, yet one of the chief charges made by the socialists against the competitive system was that it had insufficient hospital beds. The small increase in the number of beds, together with the fact that there were 466,000 people on the waiting list for such beds in 1960, certainly suggests that the National Health Service has failed to meet the increased demand that the absence of medical fees has made upon it. This great shortage of beds has caused the authorities to institute a system of priorities. Acute cases can always be found a bed, but those requiring operations for such complaints as hernia, varicose veins, and the like may have to wait up to a year and longer.

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Hospital Shortage

Perhaps the chief reason for this failure of the National Health Service is that since its inception the building of hospitals has almost ceased. Only one hospital was built in thirteen years. Many socialist doctors before nationalization believed that when the government took over, all financial worries would disappear. With unlimited funds, the government would hasten to build all the hospitals required. In practice the position has been exactly the opposite. The government has been far more cautious in its capital expenditure than the most conservative of private concerns. Overwhelmed by the unexpected and ever-increasing cost of its Health Service, it has tried to keep down expenditure by checking expansion.

Mr. D. S. Lees, a Senior Lecturer in Economics, in an excellent booklet, "Health Through Choice," has pointed out that this failure to spend money on new hospitals has been an outstanding feature of the British nationalized Health Service. Whereas before the war the yearly expenditure for capital purposes was about 20 per cent of current health expenditure, since nationalization it has been only about 5 per cent. Many medical men believe that nationalization has actually retarded the development of Britain's medical services and that the British people are receiving a far poorer service than they would have received if the prewar system had been allowed to continue its development.

In "The Genesis of the British National Health Service" written by the well-known economist John Jewkes and his wife, the authors support the above conclusion, pointing out that in 1939 Great Britain was more amply supplied with hospital beds in proportion to population than the United States, but that since the war this advantage has disappeared. "It is difficult to escape the conclusion that in the United States the quantity of medical services available for each person is larger and is tending to increase more rapidly than in Great Britain."

They also make comparisons with the medical services of Switzerland which for the most part are still under the competitive system. The Swiss have more doctors and many more hospital beds per 1,000 of population. Between 1948 and 1959, money spent on hospital building per head of population was four times as great in Switzerland as in comparatively wealthy Great Britain. Waiting lists in Swiss hospitals are literally unknown.

True, the British government at

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last has been stung into activity by constant criticism and this year commenced a program to spend £50 million building hospitals over the next five years. Whether this expenditure will eliminate the long waiting lists for hospital beds remains to be seen.

These waiting lists have angered the socialists who seem to have forgotten that they are responsible for the introduction of the nationalized hospital. In their publicity at the General Election in 1959 they stated, "Nearly half a million people are waiting for hospital beds; too many doctors' surgeries are still grim and gloomy; too many hospitals are still out-of-date and makeshift; the mental hospitals are overcrowded and dilapidated and, in spite of gallant efforts by those in charge, are quite unsuitable for modern psychiatric care; the committees and staff of the Service have been frustrated by endless administrative delays, and inevitably enthusiasm has been diminished."

No Evidence of Progress

As for the hopeful claim made by Lord Beveridge that the Health Service would improve the health of the people, there is no evidence whatever of this. Infant mortality rates have improved, but so have they in many other countries with entirely different medical systems. Tuberculosis, pneumonia, and diphtheria have diminished, but the same is true elsewhere. Chronic diseases, cancer, and neurosis have increased.

It was claimed that the expenditure on the National Health Service was a form of national investment which would increase wealth by reducing the amount of days lost to industry through sickness; but figures for absence from work on account of illness have in no way diminished.

In summation, the British National Health Service has failed to meet the increased demands made upon it, and even after the change in the value of money is allowed for, medical attention costs the British people a great deal more than before the war. Moreover, in those material factors which lend themselves to measurement, Britain's medical services have expanded far more slowly than they did in the 30 years before nationalization. They also have expanded more slowly than in the United States and Switzerland where medical treatment has remained, for the most part, on a free enterprise basis. If the British people still believe in their state-owned National Health Service, it is not because of its virtues but solely because of the illusion that it costs them nothing.

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What the Poor Had To Lose

It may be argued that at least the poor have benefited by not having to pay the doctor's fees. Even this is doubtful. Prior to nationalization, the great amount of charitable hospital service, which then existed, looked after them. Today, the poor must share with others the crowded surgeries which are the result of "free medicine."

It could be argued, of course, that these crowded surgeries and hospitals are evidence of the crying need for a free medical service which must have existed before nationalization but was concealed by the inability of the poor to pay the doctor's fees. But the crowded surgeries are not due so much to really sick people asking for treatment they could not previously afford as to the desire of many people to have free treatment for the slightest cold or illness. Before nationalization, a really sick person was sure of treatment whatever his financial means. Now, with the many claims on the doctors' services, a sick person may fail to get the attention his illness requires.

If we look upon the National Health Service as a form of charity, it is worth considering whether the British people really need it. Whereas in 1960 health services cost them £820 million, their beer and spirits cost £1,001 million and their tobacco £1,140 million.

It is sometimes claimed that the chief beneficiaries of the nationalized system are the middle classes who, prior to the National Health Service, had to pay their doctor's fees. It is difficult to see their gain, however. The taxes they pay for medical services they may not receive average well over a pound a week per family. The middle classes do, in fact, pay for medical care, the only real difference being that now they are deprived of some of that personal responsibility which was once the basis of their character.

Only about 5 per cent of the people now employ those doctors who have kept out of the National Health Service. They pay twice over, for they must also pay in taxation their share of costs for the nationalized service.

An Ambiguous Position

In considering the doctor himself under Britain's National Health Service, the word "nationalized" may seem a bit out of order. The position of the general practitioner, for instance, is an ambiguous one. He may still have his own private patients if he can get them; but the doctor who originally believed he could get

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the best of both worlds by having both paying and state patients soon found that the vast majority of them preferred to register under the state system, thus retaining his services at no apparent cost to themselves. The result is that all but a few British doctors now depend on the National Health Service for a living.

Some six hundred doctors remained outside the scheme from the beginning and are allowed to carry on under the old competitive system. Lately, these independent practitioners have grown in number, probably due to the growth in private health insurance. In 1948 some 100,000 people subscribed to private health policies; in 1960 more than 1,000,000. According to Dr. John Hunt, secretary of the College of General Practitioners, one quarter of British doctors have insured their families for private hospital treatment.

The general practitioners employed by the National Health Service are paid, not according to the amount of work they do or the number of patients they attend, but according to the number they can persuade to register on their panel for medical services if they should be required. For every patient on his panel, a doctor receives a fee, whether he attends such patient or not. Therefore, the majority of general practitioners aim to get as many registered patients as possible. A doctor is expected to accept on his panel everyone who applies. But he naturally does his best to avoid potential patients who might require his services too often, such as old people and chronic invalids.

A general practitioner is allowed to have up to 3,500 registered patients, yet doctors claim that about 1,500 is all they can properly attend. More than half of Britain's general practitioners have more than 2,500 patients while 29 per cent have more than 3,000. For each patient on his panel, a doctor now receives 19/6 ($2.73) a year – occasionally more, to induce a doctor to go into unpopular areas or to a country area where the panel must necessarily be small. There are also allowances for "good behavior" such as attending refresher courses. Out of his capitation fee the doctor must pay the costs of his surgery and the wages of his receptionist or nurse. The fee is the same for the doctor who employs capable assistants and uses the most modern equipment as for the doctor who gets along with the aid of a stethoscope and an overworked wife. The result is that the doctor who accepts only as many patients as he can conscientiously handle will have a

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very inadequate income. For more income, a doctor must have a large panel of patients, which will mean a crowded surgery, hurried interviews, and often a snap diagnosis. The system places a premium on bad and hasty service. Moreover, because the patient has nothing to pay, he tends to visit his overworked doctor as often as possible. As one doctor has put it, "The patient seeks the doctor to gratify his every whim; the doctor tries everything in his power to avoid the patient."

Under such conditions, it is not surprising when a doctor develops a feeling of guilt and resigns the service, explaining as one did recently, "The horror of this system is that many excellent doctors are trapped by it, but I have hated myself for it and now I am out of it."

Many of the patients also are unhappy. Knowing the reluctance of the doctor to visit them, the more considerate do their best to visit his surgery, though they should have remained in bed. Knowing also that their visit brings the doctor no financial return, some are constantly apologetic. "I'm sorry to trouble you, Doctor," is a phrase constantly on their lips. Others, of course, aggressively insist on their rights and expect the doctor to do anything they demand, such as writing a prescription for some patent medicine they have seen advertised so they can have it at the expense of the National Health Service. Young doctors sometimes are suspected of prescribing too generously in order to attract new patients to their panels. Many doctors believe their surgeries are looked upon as social centers by women patients.

Passing the Buck

There is a minimum service which the doctor feels compelled to perform, but only the more conscientious will go beyond this. Most, if they can possibly do so, send their more troublesome jobs to the hospitals, thus adding to the already excessive demands upon those institutions. Simple operations, formerly taken in stride, are now handled this way, as are such time-consuming jobs as a check-up to find out the patient's general state of health. The District Medical Executive Councils do not seem to resent this passing of responsibility to the crowded hospitals. They even encourage it by forbidding the general practitioner to do a number of jobs which were formerly within his province. In most areas, he is not allowed to do X-rays or blood tests or perform regularly on women patients the cancer-warning Papanicolous test.

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One of the most constant complaints of the general practitioner is the great amount of paperwork required by the authorities. The majority of British doctors may still have the skills and loyalties inherited from the past, but under the National Health Service, they have every reason to forget them and to take as little responsibility as possible. Whatever service they may render their patient will not in any way affect their capitation fee.

Since nationalization, the people have developed a habit of suing their doctor in the Law Courts for negligence. Although such actions existed in the past, they have now become much more common. This again makes the general practitioner reluctant to do more than the minimum required of him. After all, there is a limit to the responsibility one can undertake for 19 shillings and 6 pence. Moreover, medical colleagues on the salaried hospital staff are in no such invidious position, for the government is responsible for their mistakes. This has caused some doctors to suggest that the general medical practitioner would be better off as a salaried official than he is under the present system, in which he has all the disadvantages but none of the advantages of independence.

It is worth noting that this British system of socialized medicine with its capitation payments was adopted in Australia in 1946 by a socialist government. In 1952 a conservative government abolished it, replacing it by insurance against illness through private companies. Although the government did not entirely desert the medical field, it restored the old and well-tried relationship between doctor and patient. This government, incidentally, is still in power.

Third Party Medicine

In the past the doctor was responsible only to his patient and to public opinion. Now he has a higher authority which he must conciliate. He may be told, for example, by his District Medical Executive Council that he is giving his patient too many drugs of an expensive kind and that his drug bill which the state has to meet is above the average for his district. If these excessive costs are continued, he may be required to pay a proportion of the bill himself. Here is a paradoxical instruction to doctors from a recent memorandum by the Ministry of Health: "Without prejudice to the doctor's rights to prescribe whatever he thinks necessary in any individual case, a doctor may be called upon to justify the cost of

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his prescription." Another memorandum, evidently trying to overcome the natural reluctance of the panel doctor to visit the patient, gives full instruction as to when such visits should be made.

Another cross the general practitioner must bear is that a patient may inform the District Medical Executive Council that his doctor is not giving him the full service to which he feels entitled. Occasionally the public is regaled in the press with a list of fines inflicted on doctors who have committed such offenses as failing to answer night calls. In 1960, disciplinary action was taken against doctors in 410 cases.

But what most troubles the general medical practitioner is that his fixed fee, multiplied by more patients than he can adequately serve, leaves him with a far lower real income than most doctors enjoyed before the war.

Doctors Are Leaving

In 1951, after an inquiry on the remuneration of doctors, the capitation rate and the salaries of hospital doctors were raised to compensate for inflation. Since then, rates have risen only slightly, but prices generally are up a third, causing a decline in the real income of doctors. Naturally, doctors are dissatisfied. Older members of the profession seldom can do anything about it, but the younger members are showing their disapproval by simply leaving the country. John R. Seale, M.D., M.R.C.P., has shown the extent of this exodus in a booklet published by The Fellowship for Freedom in Medicine. Although doctors have always emigrated from Great Britain, they are leaving now at a rate higher than ever before. Between 1956 and 1960, of doctors trained in British medical schools, 1,070 have emigrated to Canada, 1,100 to Australia, 190 to New Zealand, and 750 to the U.S. In the twelve months of 1960 more doctors trained in England and Ireland emigrated to the U.S. than in the whole period from 1930 to 1939. Canadian statistics show that British doctors are entering Canada at a rate five times as great as that for British immigrants in general. Last year, one-third of the medical students who qualified in Great Britain left the country.

Moreover, knowledge of the disadvantages under which British doctors are now serving has penetrated to the rising generation. Although the number of students at British universities has doubled since the war, the number studying medicine has actually decreased since the introduction of

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the National Health Service. There were 14,200 medical students at British universities in 1950 compared with 12,700 in 1958. The resulting vacuum in the British Health Service has to be filled with doctors from the Commonwealth and by foreigners. Before the war, some 200 Commonwealth doctors a year registered in Great Britain, chiefly from Canada, Australia, and New Zealand. In 1960 the number was 1,400, mostly from India and Pakistan. The number of foreign doctors registering before the war with the British Medical Council was under a dozen a year. In 1960 it was 1,701 and last year over 2,000 – from such places as Syria, Spain, Greece, Peru, Turkey, Japan, and Yugoslavia. Some of these are well-trained but, as Dr. Seale points out, others are from medical schools of which the British authorities can have very little knowledge. Nearly half of all junior posts are now held by doctors from overseas.

A report issued by the Nuffield Provincial Trust showed that in many casualty departments the provision of medically qualified supervision had broken down and that able nursing sisters were making the diagnosis and carrying out the treatment. A doctor was usually available, but often he spoke no language in which he could be understood. Recently the General Hospital at Weston-super-Mare advertised for a Senior House Officer in Surgery. It received applications from one Briton, one Australian, one Portugese, one Greek, one Japanese, three Anglo-Indians, three Egyptians, five Pakistanis, and forty-three Indians.

Young British doctors who have some memory and regard for older medical traditions seem to be expressing their opinion of their National Health Service in that manner sometimes described as "voting with their feet." British nurses are infected by the same spirit. There is a general dissatisfaction with their rates of pay and, for the first time in British history, there has been talk of a nurses' strike. Fortunately, the high ideals of the profession have prevailed. It takes some time to undermine a good medical system and particularly to destroy the long-established traditions of trust between doctor and patient which the older British doctors remember. Nevertheless, the British National Health Service is doing both.

Perhaps the greatest tragedy is that the generation of Britons now growing to manhood may unquestioningly accept the National Health Service, for they never will have known anything better. ◈

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The Irresponsibles

KENNETH W. SOLLITT

CONSIDER the vast number of decisions made for us and the decreasing number of things we can, or for that matter, are willing to decide for ourselves. Parents, of necessity, decide things for their children. When the children are old enough, they are placed in schools where most of their decisions are made for them. After high school (or college) every able-bodied young man serves a stretch in the Armed Forces where to make a decision for himself might be regarded as un-American activity!

After that training in conformity we get more of the same when we join a labor union and are told when to work and for how much, when to strike and for how long, and when we work not to work too hard. Or we may become big business executives and be told whom we can hire, how much we must pay them regardless of their value to us, whom we can fire and under what conditions, what we can produce, how much we can charge for goods or services, and how much we must pay Uncle Sam for his services in regulating us to death.

We don't even make a decision as to what social functions we attend, what we'll wear, whether we accept the cocktails offered us there – the society in which we move decides those things for thousands of so-called adults.

But you don't achieve adulthood by letting others make all your decisions for you. Freedom is opportunity to make decisions. Character is ability to make right decisions. It can be achieved only in a climate of freedom. For no one learns to make right decisions without being free to make wrong ones. As our American freedoms keep diminishing, so does the character of our people. Can irresponsibles form a responsible society? ◈

The Reverend Mr. Sollitt is Minister of the First Baptist Church of Midland, Michigan.

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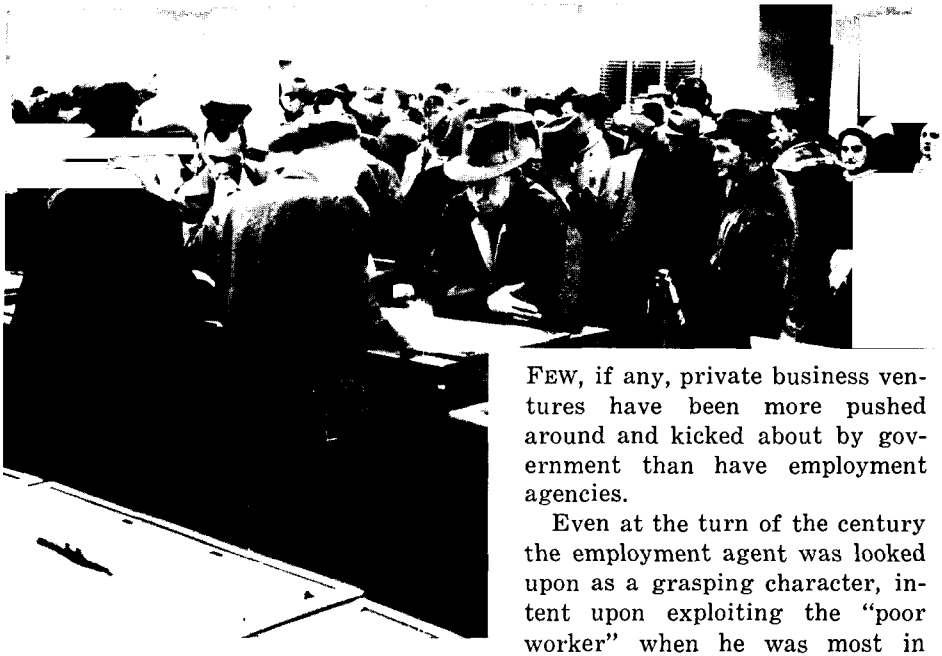

THE FAILURE OF THE STATE EMPLOYMENT SERVICE

OSCAR W. COOLEY

FEW, if any, private business ventures have been more pushed around and kicked about by government than have employment agencies.

Even at the turn of the century the employment agent was looked upon as a grasping character, intent upon exploiting the "poor worker" when he was most in need. Scarcely anyone bothered to consider *why* the jobless might seek an agent's help, thus placing themselves in his power.

So it was that legislators passed laws strictly regulating the agencies and setting up "free" state employment services to compete with them. Since 1933, all the state services have operated under the wing of the United States Employment Service, which pays their bills.

Even their friends admit that the state employment services show a dismal record. As early as 1914, a writer in the *National Municipal Review* stated that 19 states had such services but, ex-

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Illustration: A. Devaney, Inc., New York.

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cept in Wisconsin, they were "a negligible factor in the labor market."[1] In 1931, Aaron Director and Paul Douglas (now U.S. Senator) observed: "The high responsibilities which are latent in public employment work are . . . almost totally unrealized in the actual practice of the offices."[2] W. H. Miernyk found in a sample study of Massachusetts workers in the early 1950's that 45 per cent learned of their jobs through friends and relatives and 35 per cent located jobs by applying at the gate. Only 7 per cent were placed by the state employment service, although all who apply for unemployment compensation automatically are registered with the latter.[3]

Former Secretary of Labor, James P. Mitchell, stated in 1958 that nonagricultural employment had increased by over nine million workers in the preceding decade but that nonagricultural placements by the state employment services had declined.[4]

[1] F. A. Kellor in *National Municipal Review*, April 1914.

[2] A. Director and P. Douglas, *The Problem of Unemployment* (New York, 1931), p. 342.

[3] W. H. Miernyk, *Inter-Industry Labor Mobility* (Boston: Bureau of Business & Economic Research, Northeastern U., 1955), p. 22.

[4] Quoted by W. Haber and W. J. Cohen, *Social Security: Programs, Problems and Policies* (Homewood, Ill., 1960), p. 327.

Employers who have job openings are loathe to turn to the state employment service as a reliable source of high-grade labor. Many employers do not even report their job openings to the service, preferring to fill the openings in their own way – that is, by means of "help wanted" ads, through private employment firms (of which there are some 4,400 throughout the country) and by hiring at the gate.

Some of the Complications

When the state employment services were married to the unemployment compensation system in the 1930's, they were given the responsibility of getting jobs for compensation claimants. This partially explains why the applicants referred by the state services are not eagerly snapped up by employers; they may lack the ability to hold a job. Of all the jobseekers, they presumably are the least thrifty, and the most likely to apply for public aid; neither characteristic recommends them highly to employers. They are also a heterogeneous lot, for the employment service must seek jobs for all who apply and who are deemed eligible for compensation.

Furthermore, employment service officials are bureaucrats, paid out of public funds rather than by those whom they serve; they lack

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the economic incentive to give personal service.

Since many job openings are not listed with the unpopular state employment services, such openings may never be known to compensation claimants. Many of the latter do not exert themselves to find jobs, nor are they urged by employment service officials to do so. Thus, the service's own lack of knowledge of the jobs available actually encourages people to remain idle and collect compensation.

More and more the government employment service in each state is operating as a general employment exchange, for job-seekers not receiving compensation as well as those who are, and even trying to place persons who are already employed but want other jobs. Handsome offices are being built to impress employers and win their patronage.

A recent bulletin describes the invasion of the employment agency field taking place in Colorado.[5] Bernard Teets, director of the state employment service, is quoted as saying that 60 to 65 per cent of his appropriation of $2,700,000 for 1958 was devoted to serving already employed persons, that his bureau was handling 60 per cent of the employment business in the state, and that in five years it would handle 90 per cent. His budget had more than doubled in the preceding five years.

The Colorado state service functions like a private employment firm, advertising widely for business, and performing management consulting functions. When questioned about using tax money to create an empire in competition with private enterprise agencies, Teets replied: "We are not living in a free enterprise system, but rather operating under a controlled economy."[6]

In *The Field Representative and His Work*, a manual published in 1940 by the Ohio State Employment Service, personnel are instructed how they should meet criticism:

> If the employer says, "I am against government in business . . . including the OSES," tell him OSES was founded in 1890 at the request of labor and employers to combat the abuses which were practiced by private agencies. The bringing together of unemployed workers and employers' jobs is logically a community function, a government function the same as the post office, the police, and fire departments – a service to all the citizens of the community . . . If

[5] "Birth of a Monster," 1959. Bulletin published by private employment agencies.

[6] *Denver Daily Journal*, July 9, 1959, as quoted by John Fanning in "The United States Employment Service Story."

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the employer says, "We use private agencies because the applicant is more likely to stick and work harder when he has to pay for a job," say: Workers are more efficient when free from worries. Paying for a job does not imply that applicant is better or more efficient. In many cases it is quite the opposite, because the payment of a fee puts a decided hardship on the worker and causes financial worries. The Service charges no fee either to you or to the worker.

The implication in this document is that workers and employers need to be protected by a solicitous state from the "abuses" of private employment agencies. Fee-charging, it seems, is one such abuse.

The advertisement, "No charge to employer or employee," which is freely used by the state employment service in its radio and other appeals, suggests that finding jobs for people is rightfully a charity, not a business. This notion stems from the viewpoint that the jobless are disadvantaged persons, innocent victims of a faulty system, which inevitably disemploys some. They are, it seems, objects of charity to be cared for by a social agency.

A Dual Role To Play

The efficiency of the agency which mothers the unemployed is greatly affected by the dual role which it must play: first, the payment of compensation to the jobless registrant, and second, the finding of a job for him. To picture this process of "carrying water on both shoulders," let us assume that the function of paying compensation is performed by C, the employment-getting function by E.

C's functions are, first, to interview the claimant with a view to determining his eligibility to receive compensation; second, to determine the amount of compensation to which he is entitled and authorize its payment; and third, to maintain a continuous check on his eligibility and cut off payments when he comes to the end of his benefit period.

E's functions are, first, to record the working history of the claimant, his qualifications and skills; second, to record the job openings reported by employers; and third, to refer the claimant to jobs which seem suitable, one after another, until he is hired.

C, it should be noted, is a sort of "employer." He pays the claimant a sum of money weekly for a limited period of time (maximum: 26 weeks in most states, unless increased to 39 by federal supplemental compensation). E, meanwhile, is trying to interest the claimant in entering the service of another employer who will pay

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him a higher wage (in most cases), perhaps indefinitely, but who also will require some 40 hours per week of labor, performed according to the employer's directions, whereas C requires no labor. The claimant naturally weighs these two alternatives, balancing one against the other.

At first glance, C's proposition would seem the less lucrative since unemployment pay averages but $31 per week (proposed legislation would raise it to two-thirds the worker's average wage[7]). Upon examination, however, the offer of pay while idle has its attraction. Unemployment compensation is not subject to income tax, either federal or state. The recipient has no expense for transportation to and from work, lunches, work clothing, or union dues. And – he has his leisure, which has value, he alone knows how much.

Thus, the claimant's cash benefit is determined by C, within limits set by the law, but the value of his leisure is completely beyond the control or even the knowledge of C. Hence, the sum of the two, or his total idleness wage, may easily exceed the wage offered by E's client. The wages of idleness compete with the wages of work, and E has an uphill task.

[7] HR 7640, introduced in June 1961.

If the claimant does not want to take the job which E makes available to him, he can easily find an excuse. For example, the wage is lower than he is accustomed to receive (under present law compensation cannot be denied to a claimant who refuses a job on the ground that it offers substantially less wage and poorer conditions than prevail for similar work in the locality). Or the job is a long distance from his home; this, too, is an allowable excuse. He, a good union man, would be expected to work with "scabs." The work is beneath him. The work is above him. It is women's work. Truly, the acceptable excuses are legion.

Often a claimant's excuse comes as no surprise to E. He has expected it. Why, then, did he bother to make the referral? Perhaps because, in order to collect his week's stipend from C, the claimant must be able to report that he was referred to a job, applied, and found it unsuitable or was rejected.

The Claimant's Obligation

Some states suggest that a compensation claimant bestir himself and look for a job independently. New York serves notice on the claimant, "You are expected to look for a job on your own," but according to employers such as Seth Levine, executive of a New York City shoe factory, this

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search-for-work requirement "is, in practice, a dead letter. Dozens of claimants have told me that the unemployment office makes only the most perfunctory inquiries about their job-seeking efforts. Usually a mere visit to the union hall suffices."[8]

The New Jersey law states that a person laid off for not more than four weeks need not look for work at all but just report to C for his check, and the New Jersey state director of employment security is empowered to waive the search-for-work requirement completely *for all claimants* if he thinks economic conditions warrant.

Which Will It Be?

Before 1946 no independent search for work was ordinarily required; now, 28 states specifically require it. Sixteen of these made the change after abuses of the unemployment compensation system were exposed in the 1940's. However, the federal government is on record as opposing any general requirement that workers conduct an independent search for work.[9]

Those responsible for government employment services should make up their minds what they want to do. Do they want to get unemployed people into jobs? Then it would seem logical to cease paying them liberally to remain idle. But, if they want to turn what was intended to be temporary, emergency unemployment relief into an outright dole, then they should quit trying to operate employment agencies.

Private Agencies

The private employment specialist is still in business, despite the massive invasion of his field by the government. The "blue-collar" trade having been largely lured to the "free" state employment offices, private firms now concentrate on placement of white-collar people, including many technicians and executives. For example, one Pittsburgh agency in 1960 placed 500 executives, 183 of them as managers.

Some 85 to 90 per cent of placements by private agencies are people already employed but seeking greener pastures. In about two-thirds of the placements, the employer pays the agency fee, this practice having increased in recent years. That employers are willing to pay private agencies to find employees for them indicates a demand for the service.

To an increasing extent, private agencies are placing people in jobs

[8] S. Levine, "How To Play the Unemployment Insurance Game," *Harper's*, August 1961.

[9] R. Altman, *Availability for Work, a Study in Unemployment Compensation* (Harvard, 1950), p. 118.

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outside the immediate locality. This is accomplished not only through branch offices but through cooperative arrangements between agencies. For example, there is the National Association of Personnel Consultants, which embraces 62 member agencies in 32 states. Copies of job orders are provided each member by the agency in which the order originates. A resumé of the qualifications of the applicant to whom the job is referred, including three references, is given the employer. Thus, jobs and applicant are matched, even though widely separated.

Private employment firms cooperate even more broadly through the National Employment Association, Detroit, which promotes standards of ethical practice and defends the profession from governmental attack and encroachment.

Beyond publishing general information regarding the demand and supply of workers in various areas, the United States Employment Service does little to promote inter-area mobility. Its ineffectiveness was noted by the Committee for Economic Development, in a recent study of distressed areas:

> Even were the exchange of information among the employment offices of the nation operating efficiently, the present practice virtually guarantees that the official employment agencies do not have comprehensive information on employment opportunities. The reason for this is that the Employment Service is deeply involved in the administration of unemployment insurance – and necessarily so.[10]

The jobless worker who registers with the local "unemployment office" and then goes home to live on his compensation while he awaits a job that may never come is surely less mobile than the one who registers with a private employment agency, agrees to pay it a fee when and if he takes a job he is referred to, and meanwhile lives on his savings and odd-job income under the urgency of getting a job in the near future.

Private employment agencies, allowed to operate freely and without "competition" by tax-supported bureaus, would help substantially to connect workers with jobs and give the increased mobility today's worker so greatly needs. ◈

[10] *Distressed Areas in a Growing Economy* (Research and Policy Committee, Committee for Economic Development, New York, June 1961).

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WHAT YOU CAN Lose

JESS RALEY

ONE of the first things I remember is a story about Oscar Jones and a box of matches. It seems this old gentleman was out walking one evening after dark and decided to light his old cob pipe. According to the story, he dropped a match and then wasted the whole box in a vain attempt to find that which was lost.

Perhaps this story was a bit overdrawn, but it does tend to emphasize the most frustrating experience known to man. Some quirk of human nature makes this method of separation more exasperating than loss through robbery, poor judgment, or even taxes. This being true, I feel sure you can understand how I reacted to the discovery that eighteen months of my life are lost. I hasten to add that this does not pertain to future years which may possibly be lost to obesity, sweets, bitters, nicotine, and other nebulous factors. The time I have lost was lopped off those years assumed to have been expended in the past. This, of course, is the worst kind of loss, because when I have a year to live, I have been dead six months; but perhaps I should start at the beginning.

Shortly after our first child was born the wife and I decided to purchase an eighteen-year endowment insurance contract. At the time it appeared to be a very good investment, an almost painless way to insure the child's education through four years of college. The agent knew his business, had everything included; even transportation and incidentals. We checked with the college of our choice and were assured that the sum contracted for was ample. As the years passed Mr. Stork paid his respects at regular intervals until we amassed four educational endowment contracts.

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These contracts came to mean a great deal to us. In fact, one might say they had a sentimental value, above and beyond their actual worth. There was a time when a quarterly payment on our children's higher education wiped out a three-week vacation; we settled for a weekend on the river. The house was damaged permanently when we were compelled to forego painting it two years in succession. Then there was the spring my wife had set her heart on new drapes for every window in the house, but had to settle for a premium payment and a box of dye.

As a whole, those were wonderful years, of course. Perhaps we did become just a bit smug, but I prefer to think of the emotions we felt as pardonable pride. At any rate, there was a certain satisfaction in the belief that we were putting first things first. This belief acted as a sustaining factor through many hardships until the time arrived for our number one son to enter college. Now, we realize that the downward trend of dollar value should have been observed more closely. The value of the sum designed to cover four years' expenses had so declined that it would cover only two years and four months. At this rate, it appears doubtful that the youngest child can buy, with his four-year fund, more than the right to walk across a college campus.

A Disturbing Experience

To say that I was disturbed by this condition would be the understatement of all time. Since I earn money by devoting a certain amount of time to a particular task, money, to me, equals time. Going a step further, I found that the time required to earn the lost buying power was equal to a year and a half. Adding to this the wounded pride, deflated ego, and loss of direction triggered by such an experience makes the total sum appalling indeed.

A senator with whom I discussed my problem was a great deal less disturbed than I. It seems this senator has a sure-fire remedy for anyone in my condition. His theory maintains that the government (and he as a vital part) should, and very shortly would, make me whole in this matter through direct aid to higher education.

In all truth, I am not a prudish man. If one or all of my children can earn a scholarship, freely endowed by an individual or organization, no one will cheer louder than I. I do not believe, however, that the individual citizen can be made completely whole by dissecting the general public, of which said citizen is a part. In fact, the

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people of New York, Detroit, or San Francisco are not responsible for the education of my offspring, and I have no desire to see them forced to shoulder this burden. All that I want government to do in this matter is "to coin money, regulate the value thereof" – and otherwise refrain from upsetting the stability of the unit of exchange. If the state will do this, I will finish the job myself.

What Is Inflation?

Working on the assumption that action is the best antidote for a severe blow, I set out at once to re-examine my position regarding inflation. The general facts are well-known, of course. Many remember when a dollar, with fixed gold content, represented a fairly certain buying power. Many remember, too, that when the gold content of the dollar was cut almost in half, it produced nearly double the number of dollars; but each new dollar had only a fraction of the old dollar's purchasing power.

Americans, in general, know that "cheap money" is a monster swallowing up the life savings, pensions, and retirement insurance of responsible citizens. Many informative papers have been written approaching this subject generally and showing the effect of inflation on a people, nation, or society as a whole. This general information is good to know, but it fails somehow to prepare – properly arouse – the individual for a meeting, at arms length, with this nebulous monster.

Inflation is a personal adversary to all individuals who attempt to manage their affairs in a manner befitting citizens of a free Republic. When the government arbitrarily expands the supply of money and credit – through deficit spending and pumping bonds into the fractional-reserve banking system – the result is much the same as watering the soup when company "drops in" for dinner. In this case, however, the guest may be assumed to be unwelcome, and the host denied freedom of choice.

Irresponsible pressure groups and those who advocate an all-powerful state have sustained themselves for quite some time by watering the responsible citizen's soup. These inflationists are sustained by the thin soup but their hunger is unappeased. To remedy this, they propose to add more water rather than invest in the means of production. This tends to increase money income more rapidly than real income; and the soup grows thinner for everyone, including those responsible citizens whose work and savings made the product possible in the first place.

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When you examine inflation as a personal enemy, able, and almost certain, to take some part of your life, many provocative questions are sure to demand answers. Does inflation happen, or is it planned? If it is planned, are the planners superficial philanthropists who honestly think this is good for the economy; or do they seek to destroy the individual citizen by killing incentive, and making everyone a common ward of the state? Regardless of how you answer these questions, I think you will agree with me that the general public has failed to overcome inflation in general. The implications of the general problem are too remote for most of us to grasp. I believe this incentive-killing monster can and will be controlled when individual citizens recognize the enemy for what it is and launch a personal counter-attack.

Concerning this counterattack: if you are fed up (or perhaps underfed would be more appropriate) with watered soup as I am, zero hour is at hand. Henceforth: Eternal vigilance! ◈

IDEAS ON LIBERTY

A Means to Progress

THE SUCCESS of the European Economic Community is a classic illustration of the benefits that flow to people when, under forward-looking governments, markets are broadened, trade barriers torn down, and enterprising people invited to capitalize upon opportunity. Economies of international division of labor can be realized, but only with the willingness of people to adjust themselves and find their best opportunities. We must avoid two perils: of becoming so concerned over adjustments that the benefits are lost; and of getting drawn into substituting government-directed trade under quota systems for free market trade. Burgeoning bureaucracies are the impediment, not the means, to progress in the free society.

From the April 1962 *Monthly Letter*
of the First National City Bank of New York

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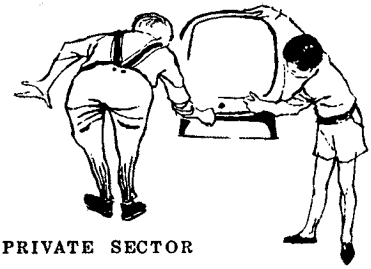

FISCAL STIMULANT

or — DOCTORING THE PRIVATE SECTOR

When fireflies came out to dance
And stars began to blink,
Old Kaspar shook his piggy bank
And settled down to think,
While Peterkin and Wilhelmine
Looked at the metaphoric screen.

They saw some men who went along
A residential street
And scattered dollars in the air
Like peasants sowing wheat,
While people ran from all around
To pick the dollars from the ground.

And as the sowers moved ahead,
The crowds got bigger yet,
As rumor spread the word around
Of dollars there to get,
And many workers left their jobs
To join the dollar-picking mobs.

"Now tell us what it's all about!"
The little children cried.
"It's called a Fiscal Stimulant,"
Old Kaspar soon replied.
"It shakes us out of sloth or slump
And makes the business index jump."

"For curing slumps," said Kaspar then,
"The Planners all agree
There's nothing in this world to match
A dollar-spending spree.
It drives the wolf from every door
And makes demand for products soar."

"It seems a very clever plan,"
Breathed little Wilhelmine.
"One imperfection," Kaspar sighed,
"May not have been foreseen.
The folks in dollar-picking mobs
Soon lose their zeal for finding jobs."

H. P. B. JENKINS
Economist, Fayetteville, Arkansas

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INDIVIDUAL LIBERTY in the CRUCIBLE of HISTORY

CLARENCE B. CARSON

ANY CAPABLE OBSERVER should be able to see that there has been a gradual and mounting circumscription of liberty in America in the twentieth century. It manifests itself in the spreading tentacles of government control and regulation, in the concentration of power in the federal government, in government by Presidential decree, in the unchecked rulings of independent commissions, in the proliferating activities of government agencies, in the virtual confiscation of earnings by means of the progressive income tax, and by a diminishing control of their property by owners.

Complaints about the increasing role of government in what were once the private affairs of citizens, about the attrition of individual liberty and of family, local, community, and state control of affairs are met with a chorus of replies which are larded with such terms as "necessary," "inevitable," "destined," "realistic," and "practical." Note, for example, the tenor of this recent announce-

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Illustration: Tower of Old North Church, Boston. A. Devaney, Inc., New York.

4. A Collectivist Curvature of the Mind

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ment from the White House. "We are going to have an urban department," said John F. Kennedy. "It may not come this year, but in my opinion, it will become as *necessary* and *inevitable* as the Department of Agriculture and HEW."[1] Many writers and speakers imply by their language that the momentous changes of this century have occurred as a result of ineluctable processes that were beyond the will and control of man, that the centralization of government, for instance, was born by immaculate conception out of necessitous circumstances.[2]

A Major Distortion

So far wide of the mark is this interpretation of the changes of this century as products of circumstances that it amounts to a major distortion of history. In fact, the turning to government to solve every problem, the extension of government regulation and control, the provision of government aid, result from a bent of the American mind. Not only did this curvature of the mind not grow simply out of circumstances but, on the contrary, it was implanted by theorists, novelists, and assorted reformers. That ideas derived from this curvature of the mind now appear "natural" and "inevitable" is not particularly strange; it is the recurrence of a phenomenon that has occurred time and time again in history – the phenomenon of the acceptance by those who do not analyze their beliefs of whatever is established and usual as natural and right.

There was a time not so very long ago, however, when those ideas imbedded in the national consciousness by the New Nationalism, the New Freedom, the New Deal(s), and the Fair Deal were new and untried, when they appeared as ridiculous to men of power and influence as any other ideas do now. This means nothing more (nor less) than that the collectivist curvature of the mind has now become an orthodoxy. My point, however, is that those ideas which now hold sway over Americans were spread by men. They

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[1] *Time*, LXXIX (March 23, 1962), p. 16. Italics mine.

[2] In the first chapter of *The New Age of Franklin Roosevelt 1932-1945* (Chicago: University of Chicago Press, 1957), Professor Dexter Perkins refers to "the *necessity* for the regulation of their affairs by government," "the *need* for control," a "point of view of the problem of relief that was *destined* to be accepted," a question that is "*inevitably* complex," "the *need* for relief appropriations," and "*justifiable* to meet the *needs* of relief. . . ." He argues, in the second chapter, "that the New Deal had its *roots in social circumstances* and is more wisely regarded as the reaction of the Americans to the Great Depression rather than as the accomplishment . . . of any individual." (p. 71.) Italics mine.

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were formulated into theories by writers and speakers, propagated by reformers and politicians, served as ideological ballast for programs and movements, and are believed by many Americans because they were taught to them.[3]

How the Way Was Prepared

In earlier articles, I have attempted to explain how the way was prepared for a new ethos in America. The intellectual foundations of liberty – belief in reason, freedom of the mind and will, natural law, and individual responsibility – were undermined by deterministic theories bolstered by Darwinism, by an increasing emphasis upon the role of the nonrational in human behavior, and by doctrines of force and necessity. Industrialization and mechanization, accompanied by the rise of the city, the influx of numerous immigrants from Southern and Eastern Europe, the concentration of wealth, and the growth of corporations and trusts posed new problems for the livelihood and independence of the individual.

Darwinism provided the ideas for a new outlook. At first, Darwinism was used to preserve the existing order with its individualistic orientation. Men like William Graham Sumner and Andrew Carnegie took such ideas as natural selection and survival of the fittest and described them as the means by which social progress was wrought out of individual effort. Sumner, as I have shown, used the ideas of gradual evolution and the determining role of social custom and practice in human affairs as an argument against the possibility of reform. But Sumner's individualism was vitiated by determinism, his quest for freedom turned into the extolling of necessity, and the basic ideas from which he had drawn his defense became a springboard for the collectivistic interpretations which abounded among thinkers in the late nineteenth century. In short, reform-minded thinkers worked out a justification for reform which they based on Darwinian evolution. Some historians refer to such reform theories as reform Darwinism.[4]

The collectivist ethos – viewed as a coherent philosophy – resulted from the mingling and mutation of ideas drawn from many sources. It has become by now a kind of "American" ideology. Properly speaking, it is neither

[3] It should be said, in justice, that there is a considerable body of scholarly literature today analyzing the ideas of reform and showing how they came to inform Americans. But this has been ill taught thus far by historians at large.

[4] Eric F. Goldman, *Rendezvous with Destiny* (New York: Vintage Books, 1956), ch. V.

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socialism, nor communism, nor capitalism. Its adherents prefer to call it democracy or, when they are in a more descriptive frame of mind, social democracy. Thus far, the application of this ideology in America has eventuated in the creation of a partial welfare state. It supports a tendency toward some kind of national socialism within a framework of international (excluding the communist sphere) socialism, and the United States is listing heavily in that direction at present. To trace this ideology back to its sources is to expose the eclectic means by which it was formed. But this should not mislead us as to its present condition as a total ideology whose adherents now accept and propagate without doubt or thought.

Society as an Organism

The collectivist curvature of the mind owes its bent most directly to the conception of society as an organism. Briefly stated, this is the view that society – far from being merely a collection of individuals – has a being of its own. In the thought of collectivists, society is "thingified," has a life and needs of its own, is the source of "human" being, and, presumably, is the end for which man exists. To show that the existence of such a conception is not a figment of my imagination, permit me to quote from some of those who spread it. Lester Frank Ward, a pioneer American sociologist and seminal social thinker, said:

> The individual has reigned long enough. The day has come for society to take *its affairs* into *its own hands* and shape *its own destinies*.[5]

And again:

> But society must be looked upon in the light of a conscious individual. In so far as it is conscious and in proportion to the completeness of its consciousness, it does not differ from an individual. No individual ever limits his activities to the simple sphere of self-preservation. Every individual is always seeking to benefit himself in every possible way. Society should do the same. . . . The extent to which it will do this will depend upon the collective intelligence. This is to society what brain power is to the individual. . . .[6]

Frederick Jackson Turner, who attempted to explain American history in terms of physical environment, and did spread the idea of the end of the frontier, declared:

> Society is an organism, ever growing. History is the self-consciousness

[5] "Sociocracy," *American Thought: Civil War to World War I*, Perry Miller, ed. (New York: Rinehart, 1954), p. 113. Italics mine.

[6] Lester F. Ward, *Applied Sociology* (Boston: Ginn and Co., 1906), pp. 38-39.

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of this organism. . . .[7] First we recognize why all the spheres of man's activity must be considered. Not only is this the only way in which we can get a complete view of the society, but no one department of social life can be understood in isolation from the others. . . . Therefore, all kinds of history are essential . . . all are truly parts of *society's endeavor* to understand *itself* by understanding *its* past.[8]

Henry George, the pace-setter and pathfinder of reformers, betrays his organic conception of society with these words:

The rude society resembles the creatures that though cut into pieces will live; the highly civilized society is like a highly organized animal. . . .[9]

Note, in the choice of language exercised by Woodrow Wilson, how this conception had entered into the stream of political thought:

The trouble with the theory [of a Constitution based on natural law with checks and balances] is that government is not a machine, but a living thing. It falls, not under the theory of the universe, but under the theory of organic life. . . . Living political constitutions must be Darwinian in structure and in practice. Society is a living organism and must obey the laws of life. . . .

All that progressives ask or desire is permission — in an era when "development," "evolution," is the scientific word — to interpret the Constitution according to the Darwinian principle; all they ask is recognition of the fact that a nation is a living thing and not a machine.[10]

Derived from Darwinism

The central concept of the complex of ideas which increasingly dominates American thought, then, is the organic conception of society. It is the hard core of the ideology which has informed the twentieth century reform effort. The organic conception was derived mainly from Darwinism, by analogic extrapolation of ideas arrived at from the biological data with which Darwin dealt. It has been variously envisioned and applied by different thinkers.

Thus, to Theodore Roosevelt the social organism was the nation. Attend to the revealing terminology with which he spoke:

National efficiency has many factors. It is a necessary result of the principle of conservation widely applied. In the end it will determine our *failure* or *success as a nation.* National efficiency has to do, not only

[7] Fritz Stern (ed.), "An American Definition of History," *The Varieties of History*, (Cleveland: World Publishing Co., 1956), p. 203.

[8] *Ibid.*, p. 201. Italics mine.

[9] "Social Problems," *American Thought*, p. 50.

[10] Woodrow Wilson, *The New Freedom*, William E. Leuchtenburg, intro. and notes (Englewood Cliffs: Prentice-Hall, 1961), p. 42.

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with natural resources and with men, but it is equally concerned with institutions. . . . It is a misfortune when the national legislature fails to do its duty in providing a *national remedy*, so that the only *national activity* is the purely negative activity of the judiciary. . . .[11]

He refers elsewhere to "national rights."[12] This way of thinking has entered into the writing and speaking habits of Americans, and now we encounter casual references to national resources, national income, national wealth, national purpose, national problems, national vigor, and human resources (of the nation).

Other thinkers broaden the organic conception so that it embraces all the peoples of the earth. Would-be-president Adlai Stevenson expresses such an extension in this quotation:

> The purpose of our aid programs should therefore be designed not primarily to counter communism — though it will do this too — but to create conditions of self-respect and self-sustaining growth in economies still behind the threshold of modernization. . . . I believe that this is the chief way to [sic] us to extend our vision of "a more perfect union" to all mankind. It is a commonplace that in a world made one by science and the atom, the old national boundaries are dissolving, the old landmarks vanishing. . . . A workable *human society* has to be fashioned and we must start where we can — by setting up the institutions of a *common economic life*, by employing our wealth and wisdom to spark the growth of production in poorer lands, by working together with like-minded powers to establish the permanent patterns of a workable *world economy*.[13]

On the other hand, John Dewey, the philosophical catalyst who wove together the many strains of reform thought into an ideology, applied the organic conception to ideas and ideologized democracy. To Dewey — if I may quote my own summation of his ideas — "democracy is a political system, an economic system, a social system, and an educational system. It is a criterion for judgments, a theory of knowledge, a method, a principle, an aim, an ideal, a thing in itself. It is a way of life, a form of life, a form of associated living, a guide for living, a matter of faith. It is equalitarian, humanistic, scientific, concerned with the needs and wants of man, constantly changing and growing. It calls for a particular kind of

[11] Theodore Roosevelt. *The New Nationalism*, William E. Leuchtenburg, intro. and notes (Englewood Cliffs: Prentice-Hall, 1961), pp. 35-36. Italics mine.

[12] *Ibid.*, p. 43.

[13] "Extend Our Vision . . . to all Mankind," *The National Purpose* (New York: Holt, Rinehart and Winston, 1960), pp. 32-33. Italics mine.

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organization of society and a particular orientation of all aspects of the culture . . . ," and "there is the nondescriptive usage . . . – democracy as an agreed-upon value which is to be realized in the society, an unquestioned good."[14] The above ideas, too, are the basic ones of the prevailing ideology.

Displacing the Idea of Liberty

It is not whim that prompts me to give so much emphasis to the organic conception of society and of ideas. For it is beliefs drawn from these that have crowded out the belief in individual liberty. American thinkers did not so much disavow individual liberty (though they frequently condemned individualism) as they accepted ideas which displaced and subordinated it to other beliefs. After all, once the mind has been curved to think in terms of such grandiose conceptions as national purpose, the fabric of society, the unity of peoples, the needs and desires of mankind, individual liberty can be, and has been, made to appear pale and insignificant beside them. How incommensurable are individual liberty and the "good of mankind" when they are portrayed as in conflict with one another! This was especially the case as individual liberty picked up overtones, within the collectivistic ethos, of selfishness, acquisitiveness, and narrowness. But, in the main, individual liberty was shunted aside, not overcome by direct assault.

Many another ideational twig was grafted on to the ideological tree of the organic conception of society before it bore collectivistic fruits. The religion of humanity – partly temporalized Christianity and mostly refurbished humanism – provided the moral fervor and ethical imperatives to collectivism. As one historian describes it, this religion of humanity comprised the following views, among others.

> Its root lies in universal human nature; because of this common root, historical religions are all one. . . . Its moving power is faith in man as a progressive being. Its objective is the perfection or complete development of man, the race serving the individual, and the individual the race. Its practical work is to humanize the world. . . .[15]

Environmentalism was grafted on to collectivism to serve as explanation of human behavior. But this new ethos avoided absolute determinism. The claims of determinism were shaken for many twentieth-century thinkers by the

[14] Clarence B. Carson, "The Concept of Democracy and John Dewey," *Modern Age* (Spring 1960), p. 184.

[15] Ralph H. Gabriel, *The Course of American Democratic Thought* (New York: Ronald Press, 1956), p. 187.

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"radical" freedom of William James. It was radical because James not only denied that man's behavior is determined by external forces, but also denied that there were any fixed and immutable laws in the universe. At any rate, reformers turned to the meliorism of Lester Frank Ward, who accepted the large role which society and environment play in human behavior, but argued that men, acting collectively, could control social development.

Undermining Faith

Collectivists used relativism to undermine the prevailing certainties. They deified the "common man" and hypostatized, as I have already shown, the democracy through which he was supposed to speak. They called for a positive role for government, which should act forcefully as the "arm" of society to achieve the aims of the "people." Thinkers redefined rights so that they became "positive" rather than "negative" concepts. For example, John Dewey defined liberty as "power, effective power to do specific things. There is no such thing as liberty in general; liberty, so to speak, at large. . . . The moment one examines the question from the standpoint of effective action, it becomes evident that the demand for liberty is a demand for power. . . ."[16] Thus defined, liberty becomes a claim for effective power, and, since Americans were entitled to liberty, it became a claim upon government to provide the citizenry with power.

Many other ideas have found lodging in this collectivistic ideology, though some of them are not firmly fixed. The belief in science and scientism is fairly deeply embedded in it. Sometimes class ideas are stronger than the organic conception of society, and some collectivists – those nearest to the Marxist tradition, usually – find the depository of virtue to be not so much in the "common man" as the laboring man, or simply "labor." Strangely, too, elitist ideas – though described in a different language – have found their way into this ideology. Thus, we find collectivists venerating experts and joining in the call for leaders. And, of course, social planning and human control appear to be firmly fixed in this ethos, as does equalitarianism.

Man-Made Ideas

In making my account of the curvature of the mind, thus far, I have tried to make clear that we are dealing with ideas formulated by men, not some magical trans-

[16] John Dewey, *Problems of Men* (New York: Philosophical Library, 1946), p. 111.

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formation thrust upon us by fate. I want to go further and point up the fact that the spread of these ideas and the impetus to reform came from men and groups, not, as Professor Dexter Perkins says of the New Deal, from "a social process arising out of depression. . . ."[17]

In the first place, these reform ideas were formulated and spread by theorists. Henry George, a leader among these, published *Progress and Poverty* in 1879. It is estimated that by 1905 more than two million copies had been sold in the United States and elsewhere.[18] The cause of the evils in America, George declared, was the private appropriation of rent—the unearned increment from land. His solution: take all rents by way of a single government tax, and the situation will right itself. George's specific proposal made no long range impact, but his covert attack upon property, his declamations against existing conditions, his proposals to use government for social purposes, have left a deep mark.

The Reformers

The major reform ideas which were to go into the new ideology received their early articulation in the writings of Lester Frank Ward in the late nineteenth and early twentieth centuries. His central works were *Psychic Factors in Civilization, Dynamic Sociology, Pure Sociology,* and *Applied Sociology.* He opened the way for reform, theoretically, by arguing that a new stage in evolution had been reached, a stage in which society could take over the direction of its development by using "social intelligence."

In this new stage, mind had repealed "the law of nature, and enacted in its stead the psychologic law, or law of mind."[19] He advanced the notion that feelings are the source of ideas. "The true order of the phenomena is that the conditions arouse the feelings and the feelings create the ideas or beliefs. These last are the final form into which the whole is crystallized in the human mind, constituting the thought of the age and people in which they prevail. . . ."[20] He redefined justice and equality. "The true definition of justice is that it is the enforcement by society of an artificial equality in social conditions that are naturally unequal. By it the strong are forcibly shorn of their power to exploit the weak."[21] The hedonistic strain in the new

[17] Perkins, *op. cit.*, p. 80.

[18] Gabriel, *op. cit.*, p. 212.

[19] Henry S. Commager, *The American Mind* (New Haven: Yale University Press, 1954), p. 206.

[20] Ward, *op. cit.*, p. 47.

[21] *Ibid.*, p. 23.

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thought was made explicit: "The new ethics has for its aim the minimization of pain and the maximization of pleasure."[22]

Of Ward's influence, Commager says: "He inspired a whole generation of scholars and reformers to believe that it was possible to remake society along happier lines, and a new generation that did not know him worked with his tools and fought with his weapons."[23]

Thorstein Veblen worked to construct an evolutionary view of economics, an economics no longer "inhibited" by fixed laws. Justice Oliver Wendell Holmes, Jr., wrenched the interpretation of constitutional law out of the path of its "subservience" to the Constitution or to natural law, belabored his colleagues for making decisions based upon their social and economic assumptions, and implied that judges should bow to the will of the majority.[24]

Henry Demarest Lloyd denounced the depredations of private wealth and public corporations and held out the lure of solution to the problems which beset America by collective effort in the influential book, *Wealth against Commonwealth* (1894). Daniel De Leon, American Marxist and socialist leader, told an audience in 1896:

> Our system of production is in the nature of an orchestra. No one man, no one town, no one state, can be said any longer to be independent of the other; the whole people of the United States, every individual therein, is dependent and interdependent upon all the others. The nature of the machinery of production; the subdivision of labor . . . compel the establishment of a Central Directing Authority. . . .[25]

Herbert Croly provided some of the theories of Theodore Roosevelt's New Nationalism in *The Promise of American Life* (1909).

Utopian Novelists

Against the sordid background, as they described it, of ruthless competition, unholy business conspiracy, the inequities of massed wealth in the hands of a few and the vast deprivation of the many, utopian novelists etched into the foreground the vision of a perfect society for America, a society ruled by brotherly love and governed by the ethics of social justice. Perhaps the most influential of these was Edward Bellamy's *Looking Backward,* pub-

[22] *Ibid.*, p. 28.

[23] Commager, *op. cit.*, p. 215.

[24] See, for example, Holmes' dissenting opinion in *Lochner* v. *New York* (1905).

[25] Thomas G. Manning and David M. Potter (eds.), *Government and the Economy*, rev. by E. David Cronon (New York: Holt, 1960), p. 46.

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lished in 1888. It sold hundreds of thousands of copies in the next few years.[26] The good society, on his view, was one without private property, where all men served society in a kind of industrial army during the years from the age of 21 to 45, and in which power and force had given way to love and good will. There were other utopian novels in these years for the discriminate searchers after heaven on earth. William Morris provided *News from Nowhere,* and William Dean Howells wrote *A Visitor from Altruria.*

Muckrakers

The way was prepared for utopia in the early twentieth century by writers called Muckrakers, who created a new genre of literature – the nonfiction semischolarly exposé. Ida Tarbell exposed the activities of John D. Rockefeller in her two-volume *History of the Standard Oil Company,* a work distinguished both for its scholarship and the righteous indignation of its author. Lincoln Steffens exposed corruption in *The Shame of the Cities.* Jacob Riis wrote sentimentally, even maudlinly, of tenement life in *How the Other Half Lives.* David Graham Phillips told of the manipulations of businessmen in government in "The Treason of the Senate." "Ray Stannard Baker investigated the railroads; in *Everybody's* Thomas W. Lawton bitterly attacked contemporary financiers; Charles Edward Russel investigated the beef trust and Judge Ben Lindsey existing abuses in criminal law. . .,"[27] as magazines picked up mass circulation by publishing these popular exposés.

A related phenomenon was the muckraking novel, which may have had an even greater influence in conveying a picture of an America desperately in need of change and reform. There was Upton Sinclair's *The Jungle,* Theodore Dreiser's *Sister Carrie,* Frank Norris's *The Octopus,* Robert Herrick's *The Web of Life,* and Jack London's *The Iron Heel.*

So effectively did muckrakers mingle fact and fiction, reporting and righteous indignation, open description with covert prescription that the historian who would disentangle the reality of these years from the myth has a formidable undertaking.

There were movements, too, which took up the cudgels for collectivism and helped to spread these ideas. Prominent among

[26] Daniel Aaron, *Men of Good Hope* (New York: Oxford University Press, 1951), p. 102.

[27] Alfred Kazin, *On Native Grounds* (New York: Doubleday Anchor, 1956), p. 81.

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these was the Social Gospel movement. Religion, which had long offered the most profound bases for individual liberty, was substantially changed as a result of this movement. Out of moral conviction, out of concern for social and economic conditions, under the influence of the theories of evolution and the sociological findings of the effect of environment upon men, preachers and thinkers formed their thought and started the movement.

Instead of being individualistic, this movement was sparked by men who conceived of society as an organism.[28] The life of an individual, they held, is inextricably bound up within this organic unity. For this reason, individual salvation is inadequate. Almost all sin involves not only the sinner but others as well, and it is pointless, on this view, to attempt to deal with it as though it were an individual matter.[29]

Furthermore, some thought, man sins frequently merely by participating in the social order, a participation which he can hardly avoid. Suppose, said George D. Herron, who went from social Christianity to Christian socialism, that one had to take a trip (in 1899), the only practicable means of traveling would be by train. But in traveling by train one would be involved in all of the evils which had gone into the making of the railroads, maintaining them, and operating trains upon them. Herron's words convey the fervor of his conviction about the evil involved in participating in society's corruption:

> The economic system denies the right of the sincerest and most sympathetic to keep their hands out of the blood of their brothers. We may not go to our rest at night, or waken to our work in the morning, without bearing the burden of the communal guilt; without being ourselves creators and cause of the wrongs we seek to bear away.[30]

The Social Gospel

Many preachers of the Social Gospel believed that before individuals could be reached and helped, society itself must be changed. Besides their organic view of society, these men believed in the immanence of God, and that the Kingdom of Heaven was to be realized upon earth. The regeneration of society was to be the first step in the realization of

[28] Charles H. Hopkins, *The Rise of the Social Gospel in American Protestantism* (New Haven: Yale University Press, 1940), p. 125.

[29] See Walter Rauschenbusch, *A Theology for the Social Gospel* (New York: Macmillan, 1917), pp. 5-6, 20, 35-37.

[30] George D. Herron, *Between Caesar and Jesus* (New York: Thomas Y. Crowell, 1899), pp. 24-25.

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this Kingdom. In what amounted to a plan for the redemption of society, the church had three functions, according to one theoretician: to present and embody a social ideal, to initiate agencies and movements for the realization of the ideal, and to supply the sacrificial service necessary for the accomplishment of the mission.[31]

This plan of action did not involve, for most of the men, the prospect of violent revolution; they rather hoped to change society by convincing men of the need for reform along ideal lines planned with an intimate understanding of the workings of society. It was, in a sense, the application of some ethical ideas drawn from Christian doctrines to reform Darwinism. The full story of the impact of the Social Gospel would have to be told in terms of the work of the social action committees of many denominations, of the formation of national and international bodies to spread the ideas, and of the innumerable sermons preached to thousands of congregations embracing the Social Gospel under such church bulletin titles as "Am I My Brother's Keeper?" In this manner did collectivistic thought enter many of the churches.

Socialism, both in a broad and in a narrow sense, provided the ideas for political movements which made some impact upon American thought. The Socialist Labor Party was organized in 1877, and ran its first presidential candidate in 1892. The party continued to grow and despite a split in its ranks, the main wing gained national following. From 1901 to 1912 the Socialist Party in America grew rapidly in membership and became for a time an important factor in presidential elections.[32] More important, however, than the immediate following which the party had was the widespread dissemination of its ideas.

A Growing Organism

Socialism was based upon the view that society is an organism in the process of development. This growing organism develops according to laws differing from but analogous to the growth of the individual. Since to him the well-being of all is more important than that of any individual, the socialist believes "that the individual should subordinate himself to society, maintaining that thus alone can the welfare of all be secured. . . ."[33] Socialism is "a

[31] Hopkins, *op. cit.*, pp. 137-38.

[32] Harry W. Laidler, *Social-Economic Movements* (New York: Thomas Y. Crowell, 1946), p. 588.

[33] Richard T. Ely, *Socialism* (New York: Thomas Y. Crowell, 1894), p. 3.

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principle which regulates social and economic life according to the needs of society as a whole. . . ."[34] In its narrower and more precise meaning, socialism is the idea that the economy must be reorganized; private property must be abolished so far as it is a significant instrument of production; productive property must be collectively owned and managed; distribution must be carried out according to a plan based upon need.[35]

Any complete story of how collectivistic ideas were propagated by groups should call attention to the activities of certain unions, to the Progressive Movement, to the Populist Movement, and to the New Deal. Nor should I neglect an account of how, in the course of time, the halls of the academy echoed the sentiments of Richard T. Ely, Lester F. Ward, John Dewey, Frederick J. Turner, Walter Lippmann, Thorstein Veblen, *et al.*, as teachers and professors presented collectivistic ideas that had become embedded in the theories of sociology, the interpretation of history, the "principles" of political science, and the "certitudes" of economics. Anyone who has been through any one of the majority of American colleges and universities in the last thirty years should have some inkling of how much a part of "education" this curvature of the mind has become.

Enough has been said, however, to show clearly that the ventures in collectivism in this century have not been simply the result of a social process rooted in social circumstances. The installation of collectivistic practices followed upon the creation of a collectivist curvature of the mind. Some circumstances lent plausibility to collectivist ideas. For example, railroads that linked towns throughout the country and industries with a nationwide market may have given a semblance of credibility to such notions as national income, national problems, and national health. But it was men who developed the ideas, spread them in literature and by movements, interpreted the meaning of circumstances, and seized the opportunities to translate a curvature of the mind into a direction for a people. ◈

[34] *Ibid.*, p. 5.

[35] See "Socialism: Principles and Outlook," *Encyclopaedia Britannica*, XX (1955 edition), p. 887.

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The following excerpt from Buckle's History of Civilization in England *(1857) refers to the tendency toward centralization of government in France, which began in the fourteenth century, was pushed further by Louis XIV in the seventeenth and by Napoleon in the nineteenth. It reminds us in the twentieth century that those who will not learn from history are condemned to repeat it.*

A Monopoly of the Worst Kind

HENRY THOMAS BUCKLE

IN FRANCE everything is referred to one common center in which all civil functions are absorbed. All improvements of any importance, all schemes for bettering even the material condition of the people, must receive the sanction of government, the local authorities not being considered equal to such arduous tasks. In order that inferior magistrates may not abuse their power, no power is conferred upon them. The exercise of independent jurisdiction is almost unknown. Everything that is done must be done at headquarters. The government is believed to see everything, know everything, and provide for everything.

To enforce this monstrous monopoly there has been contrived a machinery well worthy of the design. The entire country is covered by an immense array of officials who, in the regularity of their hierarchy and in the order of their descending series, form an admirable emblem of that feudal principle which, ceasing to be territorial, has now become personal. In fact, the whole business of the state is conducted on the supposition that no man either knows his own interest or is fit to take care of himself.

So paternal are the feelings of government, so eager for the welfare of its subjects that it has drawn within its jurisdiction the most rare as well as the most or-

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dinary actions of life. In order that the French may not make imprudent wills, it has limited the right of bequest; and, for fear that they should bequeath their property wrongly, it prevents them from bequeathing the greater part of it at all. In order that society may be protected by its police, it has directed that no one shall travel without a passport. And when men are actually traveling, they are met at every turn by the same interfering spirit, which, under pretense of protecting their persons, shackles their liberty. . . .

The people, even in their ordinary amusements, are watched and carefully superintended. Lest they should harm each other by some sudden indiscretion, precautions are taken similar to those with which a father might surround his children. In their fairs, at their theaters, their concerts, and their other places of public resort, there are always present soldiers, who are sent to see that no mischief is done, that there is no unnecessary crowding, that no one uses harsh language, that no one quarrels with his neighbor. Nor does the vigilance of government stop there. Even the education of children is brought under the control of the state, instead of being regulated by the judgment of masters or parents. And the whole plan is executed with such energy that, as the French while men are never let alone, just so while children they are never left alone.

At the same time, it being reasonably supposed that adults thus kept in pupilage cannot be proper judges of their own food, the government has provided for this also. Its prying eye follows the butcher to the shambles, and the baker to the oven. By its paternal hand, meat is examined lest it should be bad, and bread is weighed lest it should be light.

In short, without multiplying instances with which most readers must be familiar, it is enough to say that in France, as in every country where the protective principle is active, the government has established a monopoly of the worst kind, a monopoly which comes home to the business and bosoms of men, follows them in their daily avocations, troubles them with its petty, meddling spirit, and, what is worse than all, diminishes their responsibility to themselves, thus depriving them of what is the only real education that most minds receive – the constant necessity of providing for future contingencies, and the habit of grappling with the difficulties of life. ◈

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Thoreau

AND THE MODERN AMERICAN HOUSEWIFE

FRANCES WEST BROWN

I SHALL NEVER be rid of Henry. He has become a part of me, an important living part that I should never want to lose.

I first met Henry in a college literature class. The professor was a terrible bore, his lectures ill-prepared, his assignments long and often dull. One week he assigned us Thoreau's *Walden*. Thinking of it as only another time waster, I picked up a copy at the library, planning to race through it in one evening. I soon found that to be impossible.

Walden took some time and concentration. I can't say that I was then enthralled nor did I immediately recognize its value to me. But, I met Henry.

I really didn't realize that we had met, so subtle was his influence; but I soon found him popping up quite frequently at very strange moments in very strange places.

One day I went into a college shop to purchase some slacks, a pair of good, comfortable, baggy, long-legged, wool slacks. The clerk brought out for my inspection a variety of colors in my size as well as numerous shirts and sweaters to match. I selected a pair of the style I desired and went to the dressing room. Unfortunately, the legs were tapered in such a way as to squeeze my calves and the length stopped two inches above my ankles.

"Do you have some without the tapered legs and with a little more length?"

"Oh, but this is the way *they* wear them now."

I stood there silently, but a line

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from *Walden* kept racing through my head: *What authority have* they *in an affair which affects me so nearly?*

"I refuse to be dictated to by the fashion-monger," I said determinedly.

"I beg your pardon," the clerk stared at me.

Although the voice was mine, the thoughts were Henry's, and I didn't know exactly how to explain his mysterious presence.

"Oh, nothing," I said, "I'll not take the slacks. Those are not what I want."

I rushed out of the store, but I heard Henry, before he disappeared, laughing and saying: *Every generation laughs at the old fashions, but follows religiously the new.*

I left college and took a job to save every penny for a trip to Europe. I did not want a go-now-pay-later three weeks flying tour. I wanted to spend some time in Europe and really get the flavor of the countries. I thought that by using the strictest economy I could in three years save enough to quit my job and spend three to six months abroad.

I hated my job and the time dragged on. Before the first year was over I was disgusted. One evening when I walked into my apartment, there was Henry. We had quite a discussion.

What is this spending of the best part of one's life earning money in order to enjoy a questionable liberty?

I noted the scorn in his voice as he ended by saying: *as if you could kill time without injuring eternity.*

I quit my job the next day. I decided to do exactly what I wished to do. I took a poorer paid job as a low-low junior reporter on a small paper, but I loved the work and the occasional by-line. At the end of the next year I was planning to be wed to another junior reporter. All thoughts of Europe were out of my head, and I was, of all people, most happy.

The Simple Life

In those years of early marriage the funds were often low. I was thankful for Henry's visits; he always whispered encouragement to me.

My greatest skill has been to want but little.

All men want, not something to do with, *but something to* do, *or rather something to* be.

I wished to live deliberately, and not when I came to die, discover that I had not lived.

Simplicity, simplicity, simplicity!

Simplify, simplify.

On one occasion my husband and I were invited to attend a

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very important dinner in the city. I wanted so desperately a new outfit that John consented to take the necessary amount from his going - into - business - for - myself fund. I went shopping and found the perfect garment. I was just about to have the clerk put it into a box for me when Henry appeared:

The cost of a thing is the amount of what I will call Life *which is required to be exchanged for it, immediately or in the long run.*

I stopped and stared at the outfit. I would rather he had not appeared at this time. He kept talking:

No man ever stood the lower in my estimation for having a patch in his clothes; yet I am sure that there is greater anxiety, commonly, to have fashionable clothes than to have a sound conscience.

"Are you well, madam?"

"Oh, yes, quite well. Henry just told me not to buy the suit."

"Henry?"

"I just decided it was not wise for me to buy the suit."

"Oh - - - - - - - - could I show you something else?"

"No - - - - - - -," I paused. "Yes, can you tell me where to find the sewing notions?"

I bought two fifteen-cent packages of seam binding and left the store. But I had not lost Henry.

A civilized country, where - - - -, he roared his warm laughter at me, *where people are judged of by their clothes.*

I wanted to tell him to hush, but he had always been so wise, so helpful to me, I decided I would not endanger his friendship.

At home I shortened my old suit and cut the sleeves from the blouse. In a day's work I had a modern suit I was proud to wear.

That evening John asked, "Did you find a suit, hon?"

"I surely did. I found a beautiful, perfect suit."

"How much?" he asked, with fear in his generous voice.

"Oh, I decided it cost too much *Life*. I didn't buy it."

"What!"

That night I showed him my creation. He was very complimentary and proud. I also introduced him to Henry. I thought two gentlemen who could so easily find agreement should meet. John had heard of Henry but had never ventured to become well-acquainted.

Being One's Own Boss

Henry put ideas into John's head as he often did into mine. Only a few months later John decided that one can't *kill time without injuring eternity*, and he launched his own paper in another small town.

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Our two sons arrived, and the paper's expenses were terrific. It seemed that financially we were going under. We decided that I should hire someone to keep the boys and go back to work. That night Henry came:

The mass of men lead lives of quiet desperation. What is called resignation is confirmed desperation. But it is a characteristic of wisdom not to do desperate things.

Then he began to say over and over again:

The cost of a thing is the amount of what I will call Life *which is required to be exchanged for it, immediately or in the long run.*

The next day we decided to ask for a loan to keep the paper going another year and to keep me home with my boys.

Those years when the boys were little and I was tied so closely to home became rather discouraging to me. I grew very tired of dusting, sweeping, washing, ironing, and cooking over and over and over. When my despair became unbearable, I ran to fetch *Walden.* Sure enough, Henry had the answer for me:

You are the slave-driver of yourself.

Once I had three pieces of limestone on my desk, but I was terrified to find that they required to be dusted daily, when the furniture of my mind was all undusted still, and I threw them out the window in disgust.

We spend more on almost any article of bodily aliment or ailment than on our mental aliment.

How many a man has dated a new era in his life from the reading of a book!

Thinking for Oneself

When the time came for my tour-of-duty in P.T.A., I was, at first, quite eager to do my service to the improvement of the schools and of my abilities as a parent. However, I soon became disgusted with the lack of action on the part of the organization. I sat quietly back and let the others lead the group into a chaos of utter uselessness. I took it calmly until at one meeting it was proposed to budget $150 to purchase an elaborate silver service for the socials which followed the business meeting and programs. This proposal burned my natural instinct toward economy.

Our school library was only half finished – chairs, tables, and, more importantly, more books were all sadly needed. The age of audio-visual education was here, but our school owned only one movie projector – no television, no tape recorder, no slide projector, no record player. How could these moth-

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ers even think of a silver service for their social hour! I knew quite well that they used glass cups or sometimes even paper ones at home, but I sat quietly.

That is – until Henry sat himself beside me and started bruising my conscience with his words:

No doubt another may also think for me; but it is not therefore desirable that he should do so to the exclusion of my thinking for myself.

I jumped to my feet and bravely led the opposition to defeat the measure. For the next few years I found myself guiding the P.T.A. into a worth-while position, its original purpose of providing service to the school through community effort.

We Pay with Our Lives

Our little two-bedroom house which had been perfect for the boy's elementary school days suddenly seemed to become wholly inadequate. Several of our friends had bought new, larger homes, and the urge to do likewise burned within me. And the boys were rather large to share such a tiny room. And our kitchen had no built-ins. And we didn't have central heating. And we could use a two-car garage, one side for the car, the other for storage. I could think of so many valid reasons.

I set forth a plan to convince John to buy a new house. I found a new one that fit our needs if not our pocket book. I figured with a realtor on how much trade-in our house would bring and how much we would be obligated per month to live in the new house. The total cost was of little significance.

Henry jumped up with his usual *the-cost-of-a-thing-is-Life* remark, but I did not listen. I told him to vanish as this was too important to the boys for me to be concerned about spending my *Life* to pay for it.

I had things well-arranged. I fixed John's favorite supper and did it so inconspicuously that he didn't even notice the trap.

I told him the plans, and he was seriously interested. He always wanted that which pleased me and provided the best for his boys.

That night I couldn't sleep. Henry wouldn't let me rest:

I would rather sit on a pumpkin and have it all to myself than to be crowded on a velvet cushion.

That didn't make sense. What did he mean?

Public opinion is a weak tyrant compared with our own private opinion. What a man thinks of himself, that is which determines, or rather indicates, his fate.

He would not leave me alone. I got out of bed to keep from disturbing John. In the cold living

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room my thoughts began to come more clearly.

The boys had never once talked about moving. They sometimes complained about the lack of closet space for certain things, but they didn't seem unhappy with the house.

It was I who wanted to move. Really, I didn't mind the size of our house too much. I really didn't mind that my stove sat out of my cabinet or that the house had a floor furnace and heaters scattered about, rather than one central unit for heating. It was just that the Davidsons, the Kellers, and the Rices had new houses, and I knew that John's income was equal to any of theirs. I didn't want us to seem to be poor managers. I wanted to look successful to the world. But was public opinion worth the debt it would create?

Henry patiently repeated his words:

Public opinion is a weak tyrant compared with our own private opinion.

My decision was made. I slept the remainder of the night so well that John had to shake me awake the next morning.

He said that he could almost tell by the expression on my face that Henry had been there and the wisest decision had been made.

That summer we added a room above the garage that served as a family room and as extra storage. It was easily paid for with so little *Life* that we hardly missed it.

Vocational Guidance

Oh, those school years passed much too rapidly. It seemed as if the boys were ready for college when they should have only been leaving junior high school, and my plans for them were just not working out.

John and I were in perfect disagreement about the future of the elder of the boys. Bob had made up his own mind that he wanted to enter the newspaper business with John. We were all pleased about that. I wanted him to go to a good liberal arts college and prepare himself. John argued that Bob could better learn the trade by working in the trade.

I came in one evening to find John reading *Walden*. I was sure that I had won the argument; for a man of Thoreau's intellect would surely favor a decision for one to send his son to college before learning his trade. I was mistaken. Henry and John collaborated, and I came down in defeat.

Henry's argument was this:

If I wished a boy to know something about the arts and sciences, for instance, I would not pursue the common course, which is

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merely to send him into the neighborhood of some professor, where anything is professed and practiced but the art of life; to survey the world through a telescope or a microscope, and never with his natural eye; to study chemistry, and not learn how his bread is made, or mechanics and not learn how it is earned; to discover new satellites to Neptune, and not detect the motes in his eyes, or to what vagabond he is a satellite himself; or to be devoured by the monsters that swarm all around him, while contemplating the monsters in a drop of vinegar.

Bob finished high school and started immediately working at the newspaper office – not as a manager, but as a route boy, a copy boy, an assistant typesetter, and on a few occasions when no one else was available as a low-low junior reporter. He learned his trade well.

A few years ago he came home to announce that he had decided that one can't *kill time without injuring eternity.* He had heard John say it many times. He and his wife were taking their little girls and were starting a newspaper, a weekly, in a nearby town.

Jack never had an interest in newspapers. All of the salesmanship of both John and me could never convince him to follow our trade. He wanted to be a doctor or a rancher. Jack had maintained extra high grades in school with really little effort. Before graduation he was offered a scholarship to Tulane.

John and I were very proud, thinking of the credit to us to have a son at Tulane and to have a medical doctor in the family.

Only a few days later we were absolutely appalled when Jack announced that he had decided to refuse the scholarship. He wanted to go to Oklahoma State University to study veterinary medicine. He had never really wanted to be an M.D.

I am sure I would have burst into tears had not Henry once again saved me from an act of desperation!

I would have each one be very careful to find out and pursue his own *way, and not his father's or his mother's or his neighbor's instead.*

It was soon easy to see that for Jack his own way was best.

A Worthy Bequest

Life has been good to John and me. We were sitting last evening recalling our life and its decisions.

"I only regret that we have so little to leave the boys," I mentioned.

"Of course, there is the house and the paper."

"Oh, but that is not a memorial

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from us to them. The house will only sell for a little, and the newspaper will only bring a living, not ever wealth."

At that, Henry leaped into our midst:

Nations are possessed with an insane ambition to perpetuate the memory of themselves by the amount of hammered stone they leave. What if equal pains were taken to smooth and polish their manners? One piece of good sense would be more memorable than a monument as high as the moon. I love better to see stones left in place.

He didn't repeat his remark, but he said it with great finality. Then he vanished, and somehow I feel that he'll not need to come back. Since our first meeting his influence has never been gone, nor would it ever leave my life.

Today I went to town and bought two copies of *Walden*, and I mailed one to each of the boys, enclosing this note:

I would like for you to become better acquainted with my dear friend, Henry David Thoreau. The reading of this book started a new era in my life; it helped me to consider my values before I acted. I hope it can bring to you some of the happiness it has brought to me.

With love,
Mother

IDEAS ON LIBERTY

An Interesting Question

THE SOCIALIST does not trust in the goodness of humanity. He is convinced that the hungry will not be fed, the naked clothed, the aged cared for, the sick visited, unless the power of the state intervenes to confiscate from society the means necessary for the state to attend to these needy. But this poses an interesting question. If the vast majority in our society really share this powerful urge to help the needy, why do they fear for the fate of charity if left to the voluntary care of the people? It is a well-known fact that there is little or no administrative cost in the sort of family or neighborhood charity for which America was famous, whereas there is great administrative cost in the compulsory redistribution of wealth by government agencies. So what is there to lose in allowing the people to follow their avowed inclinations without recourse to the power of the state?

GLENN L. PEARSON, College of Religion,
Brigham Young University

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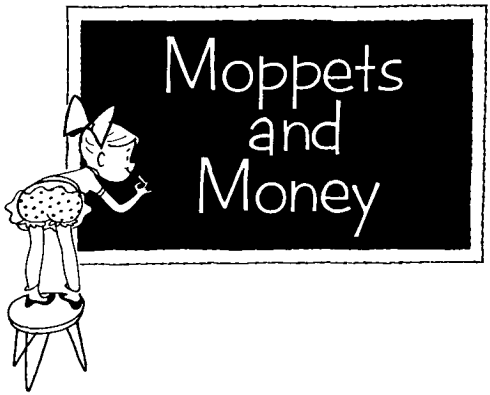

D. M. WESTERHOLM

EVER FACE the allowance problem in your family? My guess is that if you have a child over the age of three, you have. They may not score an "A" in arithmetic on their report cards, but when it comes to putting the bite on Dad they can become veritable whiz-kids! Naturally, they do not achieve this amazing degree of proficiency immediately – this type of polished performance takes time and practice and opportunity.

Somewhere along the way the parent has allowed his moppet to evolve the belief that a certain stipend, payable regularly in cool coin of the realm, is one of his inherent and Constitutional rights. All too often the principle of earned right, as opposed to inherent right, is simply left out of the reasoning.

Mrs. Westerholm is a Registered Nurse, housewife, and student of liberty of Inglewood, California.

We had observed this process with great interest in many a friend's home, and pondered upon it during our own offsprings' Pablum days. We did not wish them to grow up thinking that life owed them an allowance. Life, in general adult terms, might not consider their demands as cute and cunning as admiring parents had!

Three firm basic tenets evolved during the time spent shoveling the strained comestibles down greedy little gullets: 1. They would understand what money is. 2. They would understand that it was a product of labor. 3. They would further understand that labor was not only necessary but honorable. That's all. But we hoped to effect this understanding without tears, turmoil, or rebellion from the troops. We hoped, further, that it would be accepted with respect and not resentment

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– for we had no desire to produce a brood of future Scrooges.

We were well aware that this would take a bit of doing. As the years passed, we would be dealing with pretty sensitive tissue, so our efforts had to be both direct and prophylactic. Our earnest aim was to help them learn to become effective, responsible, and happy citizens.

Where Nickels Come From

Inevitably, the day arrived when the first of the children became old enough to join the herd racing madly after the Good Humor Man, and to learn that money was the source of all Milk-Nickles. For the first time he galloped into the house screeching, "Gimme a nickle, Mom!"

And it seemed that the time had come for the first specific lesson in regard to money. Since "The Cat" was barely five at the time, I asked my question as gently as possible. "But where do nickles come from, son?"

As gentle as it was, the thought of that delectable treat rolling inexorably, if musically, away down the street made that question almost more than five-year-old flesh could bear. "From Daddy!" he wailed. "Now can I have the nickle?"

Instead of answering, I quickly produced an ice-cream bar from the "Treasure Chest" in the freezer, with proper motherly magic. After seating my now toothsomely smeared son on a kitchen stool and draping him like an Arabian Shah, I started the lesson by conversationally reminding him in simple words just where and how his father was employed. I told him that in return for Daddy's work he was paid a certain amount of money, and I explained how this money was spent. We spoke of the fairly familiar expenses of running the household, such as food, mortgage, utilities, church tithing, doctor and dentist, and buying clothes. I also told him about his own savings account – a fact which pleased him so much I could just *see* the translation of all those nickles into piles of Good Humor products!

I went on to point out that we all did our part to share in the labor which produced Daddy's salary – I with my housework and gardening, etc., and he with his help, too. He helped to keep his room neat (reasonably!), and he watered, pulled weeds, amused the baby, and he set and cleared the dinner table. So, he too was quite definitely and honorably laboring in the family interest, at his own age level. Until now his "wages" had consisted of indirect payments of toys, books, trips, additional clothing, church offerings, and the

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modest sums deposited regularly in his savings account.

(We did not consider food, shelter, medical care, or basic clothing to be commodities he should earn. These we did consider were his simply by right of his age. Nor did we think every small helpful act about the house called for a payment – there should, we felt, be sensible balance established here.)

Shifting Responsibility

Since he now had found that money could buy items which he individually desired, we would entrust him with a portion of his "wages" in direct cash, in ratio to his extra chores. This would commence, however, only when he had a little better comprehension of what money actually is, and would continue for as long as he used this money with reasonable wisdom and honesty. We on our part would offer as much assistance and advice as he wished, and would periodically review his needs with him, in a continuing attempt to make equitable adjustments. We would start the next day to learn more about money, and what it really is.

Not once was the word "allowance" used. The idea was to impress the thought that labor was a positive and usually pleasant activity which brought about certain positive and pleasant results; and that he would have some control over the manner in which these results were obtained. Most important, that this was actively earned right, and not inherent, passive entitlement.

Time enough later to speak of the intangible wages such as personal satisfaction, inspiration, and self-realization. These were products which demanded considerably more than a five-year-old's maturity and experience to comprehend. Right now, material objectivity seemed the best teacher.

You may think that even without the above-mentioned intangibles the plain correlation of labor and profit alone was quite a large idea for a child so young to grasp in less than one hour's chat. True – if that had been all a totally new idea to him; but we had been teaching him indirectly for much longer than this . . . as all parents do. By our own parental example of working cheerfully and happily, he had learned far more than he consciously realized. Our son had night by night seen his father come home from a job which quite openly was a challenge and a satisfaction, as well as a means of earning a livelihood. He had heard the expression, and seen the results, of "salary increases." He had day by day watched his mother doing her tasks with quiet

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but obvious pleasure. He had often heard them both discuss money matters and come to amicable decisions.

Now, all of this is not to say that he had never seen his father return home disgruntled or discouraged, that he never saw his mother when she was less than delighted at the early morning prospect of a sink full of dishes and five unmade beds! He did see them so – this, too, is part of life – but he saw it as the exception and not the rule. He saw them overcome it and not be overcome by it. "Love ye one another" is not only an ideal theological command, it is also ideal advice for daily living. And so he had learned, and readied himself for the next lesson; which was, of course, the handling of money himself.

The following day arrived on the usual wave-crest of toothpaste, eggs, corny gags, and sleepy greetings, and an added note of excitement; for "The Cat" (my son's nickname) and I were going adventuring!

The Museum of Natural History

Our first stop was the Museum of Natural History. This was the quickest and clearest method we had been able to decide on as an aid to the first introductory explanation of the history of barter, exchange, and eventual commerce. We did not expect him in one day to comprehend fully in detail all that he would see, but he could follow the continuity of the idea of the displays – especially with the explanations he would simultaneously receive. Rather like a youngster following a long Disney story, these progressing visual panoramas should be much more comprehensible and interest-holding than words alone.

The Cat was awed and thrilled by the beautifully executed panoramas of early man's habitat. The saber-toothed tiger in the background, and animal skin clothing of the family in the foreground; the cave dwelling, the stone and wood tools and weapons, were all a fascinating introduction to the accompanying quietly worded commentary on very basic elementary economics.

He could actually see the hunters procuring meat and fish, the herders guarding their undomesticated flocks, the first agronomists harvesting their tiny fields of native vegetation, the women preparing the food and clothing, the early artists at work on the cave walls, the children playing and working at various chores, and the elders performing less arduous tasks. He could compare yesterday with today quite vividly; could not only see the contrasts but also the basic similarities.

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As we progressed from frame to frame he saw the family unit expand to the tribal group, then the first suspicious intertribal communication, followed by tentative first "markets" of barter and exchange. He saw fish traded for furs, and protection traded for shelter – value for value.

Going further ahead up the time path, he observed the first money symbols used, such as tiny shells, animal teeth, dried red beans, and eagle feathers – all exchangeable for real value such as food, clothing, shelter, or even a mate. And rates of exchange established quite directly and promptly, in a no-nonsense manner by skillful use of a club or spear! Now here was progress a young man of five winters could follow and understand even more readily than could an adult. After all, he was still convinced of the priceless value of a red "glassie" marble and a pair of dried frogs – and still young enough to view the law of the fang and claw with a certain wistfulness!

Early America

We blinked owl-eyed into the sunlight and then on to the American history section, where we once more followed the cool, dimmed paths of forest and glen in pursuit of duck and deer and fish. We saw the wandering tribes who followed the game herds and the more stationary tribes who tilled the soil, and fished and hunted in season – carefully preserving the surplus foods for the barren days of North American winter. We watched the scavenger tribes who simply raided the villages and took what they were too lazy or haughty to work for. We were shown fine intricately designed and wrought belts of wampum, used as money; as well as the less palatable scalps and animal claws and teeth.

We watched the Pilgrims land and briefly traced their early heartbreaking years as colony after colony was established. The Revolution and the final establishment of the central government, and the remarkable documents which accompanied it were not mere words; they were seen as real events occurring to real people – and these pictorial impressions would later help to make the words real, too.

We saw a national coinage and currency established (our form of wampum!), and studied pictures of early smelting and minting, and of the first Treasury vault at Philadelphia (later removed to the new Capitol at Washington), and actual coins of silver, gold, and copper. We also saw gold certificates; and I nearly lost rapport here. It was not at all easy for a youngster

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to really comprehend the double symbology of a piece of paper representing a specified amount of stored gold, which was itself merely representative of real value. Material facts helped again here, however, as we sat down and figured out just how much two or three thousand dollars in our gold "wampum" would weigh – and how obviously bulky and unhandy it would be.

Time To Digest It

Well, by now he seemed to have the idea pretty well in hand that money was simply a convenient medium of exchange, representing actual goods or labor, and used as a nonperishable, accruable symbol. It could be received in place of perishable or inconvenient exchange items, to be used when and as the receiver personally chose. (Although he would not have used these exact words for his own explanation.)

Feeling that more than enough had been given for one bout of mental digestion, we adjourned to a nearby restaurant for some food of a more physical nature. It was not only a tasty meal; it proved to be an excellent way of summarizing the morning's lesson. We were partaking of actual "fruits of labor"; and when at the end of the meal, The Cat was allowed to proudly pay the bill, he did so with at least the rudimentary understanding that he was in an indirect manner paying the farmer who had produced the food. He understood further that the money, with which he paid, was a symbol of the *non*edible fruits of his father's labor.

This background which we had seen so dramatically displayed at the Museum was, of course, a sketchy and very incomplete explanation of the complicated science of economics; but it appeared adequate for basic introductory understanding. He had a few solid planks to use as a platform for more complete eventual comprehension. A five-year-old child naturally could not be expected even to begin yet to grasp the actual intricacies of a monetary system which has baffled many adults.

He had seen pictures of Washington and Hamilton and Jefferson, and understood that they were men great in wisdom and service to our country, but obviously not precisely what these services were. Much later, in school, he would study Hamilton's financial theories, and trace out the amazing story of the establishment of our international credit reputation during the first formative months of the Union. He would follow the organization of the First Bank of the United States and the employment of the

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first customs tariffs and tonnage duties. I hoped to see him one day grasp the significance of the differing philosophies of Hamilton and Jefferson which became so apparent at this time – because these fundamental differences were and are still today a severe test of Constitutional interpretation.

Hamilton, by declaring the separate state war debts to be a central federal responsibility, proclaimed to the watching world that we were a united nation, and not to be viewed as a mere loose assembly of quarreling factions. Jefferson, on the other hand, saw prophetically clear dangers in too complete a step toward full centralization. They both saw in this conflict of ideas the seeds which later actually materialized in the Civil War. This basic conflict still remains very germain today.

The thing my young son and I were investigating – money – is very important to both a family and a nation. Not the most important, to be sure, but important enough to warrant thorough study and application. As in an automobile, where there must be correctly designed and engineered coordination of all the parts to have a successfully functioning vehicle, so, too, is it with a family or a nation.

As we drove home, at least one of our heads was buzzing with mingled thoughts of saber-toothed tigers, and treasure vaults, piles of pennies, and Indian Chiefs – all to be sorted out and digested piece by piece in the days to come. He certainly had a better idea of what money was, and we hoped gradually to help him learn more fully to understand and apply these ideas in a practical and realistic manner in the years ahead.

The Results

All of this took place four years ago, and in these four years he has absorbed more detailed information and insight. He has not only grasped at least the basics of a complicated monetary system, but has indeed seemed to have established some pretty clear interpretations of his own. He does not take money for granted, but neither does he value it for its own sake. He translates it as labor's results, and labor and work are easy and honorable words in his vocabulary. Sure, he goofs now and then – he is still a child – but he has some fairly steady handholds to help him get back on the track, too.

Let me add here that we were richly blessed in that our children had early shown strong traits of generosity, and our money lessons in no way seem to have lessened this. They have learned to be generous with their *own* time and

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money and property, however, and not simply to dispense someone else's largess.

Individual initiative, personal responsibility, pride of achievement, a firm sense of integrity, and realistic evaluation of worth are the things our children seem to be gradually learning – and they're having fun learning them, too. The belief in the dignity and value of individual achievement would seem to be a basic necessity to the understanding and acquiescence of personal and national liberty. We feel we would be derelict in our duty as parents if we did not do what we could to pass these ideals on to our children.

All too often, obviously good qualities of living may be unintentionally diluted, generation by generation, by the simple lack of clear specific communication of these qualities to our youngsters. We do not expect our children to learn algebra or physics by some sort of automatic osmotic process; these subjects are taught formally and deliberately. We merely plead the case for the same deliberate teaching of the essentials of liberty, in all its many forms. ◈

IDEAS ON LIBERTY

One's Own Business

EVERY MAN AND WOMAN in society has one big duty. That is, to take care of his or her own self. . . . Now, the man who can do anything for or about anybody else than himself is fit to be head of a family; and when he becomes head of a family he has duties to his wife and his children, in addition to the former big duty. Then, again, any man who can take care of himself and his family is in a very exceptional position, if he does not find in his immediate surroundings people who need his care and have some sort of a personal claim upon him. If, now, he is able to fulfill all this, and to take care of anybody outside his family and his dependents, he must have a surplus of energy, wisdom, and moral virtue beyond what he needs for his own business.

WILLIAM GRAHAM SUMNER
What Social Classes Owe to Each Other

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the SICKNESS of Socialized Medicine

IF YOU ARE AGAINST state-inflicted public health insurance, financed by a compulsory levy, it is enough in many quarters to mark you down as a moral monster. By implication it is assumed that your "negativism" means that you want poor people to suffer. But does a compulsory national health program, "free" to everybody out of taxes, actually result in a healthier society?

Since many foreign nations, from England and Germany in Europe to New Zealand in the Antipodes, have had ten, twenty, and even thirty years of experience with their own versions of compulsory "medicare," there should be a definitive answer to this question. Helmut Schoeck, a professor of sociology at Emory University in Georgia, has pinned down a vast number of pertinent facts in his symposium, *Financing Medical Care: An Appraisal of Foreign Programs* (Caxton, 348 pages, $5.50). The testimony of Dr. Schoeck's many experts is that it is the general tendency of "government medicine" to inflate the cost of medical service without adding anything of value to the general level of health. It may seem like the humanitarian thing to do to make medical service a "free good," like parks or streets or the water from the public drinking fountain at the corner. But actually everybody loses under most public health programs.

The Value of Nothing

The reason, if we look at the experience of England, France, Germany, Sweden, Austria, and New Zealand, is that people do not value what they presume they are getting for nothing. What results from public medicine is a big overconsumption of trivialities, with doctors at their wits' end to find time to spend on serious matters.

Speaking of compulsory medical "insurance" in Germany, Werner Schollgen remarks that personally "costless" access to doctors and medical supplies "encourages the waste of huge amounts of money and medical resources on minute

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and imaginary ailments. Consequently, it cannot really, in the long run, help individuals with prolonged and catastrophic illnesses."

Looking at the British experience, Colm Brogan discovers that the National Health Service which came out of the Beveridge plan "celebrated its tenth birthday without having built one single hospital throughout the length and breadth of Britain." English girls, says surgeon Reginald S. Murley, decline to take up nursing because of the inadequacy of the hospitals under the compulsory health program. The deficiency is "somewhat concealed by the number of girls from Ireland and the Continent who come to Britain to nurse."

In Germany, "free" medical treatment is accepted with contempt by many people who, after taking the pills they get for "nothing," turn right around and spend their own personal funds on the most arrant type of quack. In Sweden, which adopted a compulsory health service in the nineteen fifties, Alfred Zanker tells us that "the captive beneficiaries of compulsory health insurance . . . demand medical benefits far beyond what their specific contributions pay for." The general attitude is "I had to pay my share, now it is the state's turn to render any service I can think of." "Overtreatment" and "multiple treatment" follow. With state "medicare" piled on top of other compulsory welfare expenditures in Sweden, "tax evasion has become a matter of economic survival." The population is not noticeably healthier. And freedom from "material" cares has not made the Swedes any happier. "Sober statistics show that social ills have continued in the era of an ever more perfect welfare state. The crime rate, especially among the younger generation, has reached frightening proportions. Widespread alcoholism has not been curtailed. The divorce rate has reached new heights, and despite generous state subsidies . . . the birth rate in Sweden has fallen back to its low level of the 1930's."

No Way To Fix Responsibility

This sort of quotation might be multiplied many times over from Dr. Schoeck's book. The reason for the degeneration of medicine when governments try to match free patients with "panel" doctors, or dictate arbitrary "fee schedules," or otherwise interfere with the market pricing of medical service, is that there is no accompanying way of instilling responsibility in either patient or physician.

As economist Dennis S. Lees says, the humanitarian cry for

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"adequacy" comes to mean anything we want it to mean. There is no way of deciding between the competing claims of "adequate" medicine and "adequate" public housing and "adequate" nationalized train service if marginal utility ideas are excluded. "We do not know," says Mr. Lees, "nor is anything built into the machinery of the public sector to tell us, whether production is optimal or not." Yet in a world of scarce goods – and medicine is still a scarce good – there must be some way of deciding where optimal as against "adequate" resources are to go. "Men and materials employed to build hospitals cannot at the same time be used to build schools and factories . . . Firms producing medical supplies cannot at the same time be producing export goods."

When doctors and hospitals and medical supply companies price their services, there is an automatic check on their indiscriminate use, and money is left for education and factory building. Hardhearted? Well, if it were left at just that, it would be hardhearted. But doctors, from time immemorial, have not attempted to wring big fees from those who come to them asking for charitable care. The price system, which can provide for "optimal" discrimination, is compatible with voluntary relinquishment of time, energy, and pills to the occasional patient who cannot pay for what he receives.

Some Hopeful Signs

In America, there is a tired feeling in many quarters that compulsory "medicare" is part of the inevitable "wave of the future." But "it ain't necessarily so." In both Switzerland and Australia, the voters have firmly rejected the demands of the socialists that medicine be made a compulsory "free good" financed by taxes or social security levies. The Swiss, in 1958, had 1,109 separate voluntary insurance plans recognized by the federal government, with a membership totaling 4,011,925. "Between 80 and 90 per cent of the Swiss people are members of such associations," says Marcel Grossmann. The federal government in Switzerland does give some subsidy help to voluntary plans which meet formal requirements as nonprofit mutual companies, but that is all. The insured have free choice of physicians, and the doctors set their own price on their services. The Swiss are certainly as healthy as the Swedes or the English, and they are not afflicted with skyrocketing medical costs. Moreover, the traveler in Switzerland notes practically none of the social ills that afflict welfarist Sweden.

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In Australia, where the Labor Party ruled at the end of World War II, there was an assumption that the people would vote a National Health Service Act on the order of the British legislation. But, miraculously as it must seem to us, the Australian Liberal Party beat back the Laborite demand for a comprehensive compulsory system for supplying doctor's services, drugs, hospitalization, and dental benefits.

When a Liberal government assumed office in 1949, a physician, Sir Earle Page, was appointed Minister of Health. Sir Earle helped put the Commonwealth government behind a subsidy of voluntary insurance societies which left the Australian equivalents of our own Blue Cross and Blue Shield to take care of their own members. Nobody in Australia is compelled to protect himself by insurance against the "hazards of living and dying," but the country is pretty well blanketed by the voluntary system.

The Australian Health Plan, says Sir Earle, "has started to pay for itself in shorter illnesses, less sickness, shorter hospitalization, with a consequent turnover of hospital beds and a saving of millions of hours of working time." And because there is no central administrative expense, "the government's paper work in connection with the Plan is carried on in Canberra, the national capital, by no more than fifteen or twenty people. Everything else is handled – and well handled – by the insurance societies themselves, each of them dealing with its own subscribers."

One Control Leads to Others

One fear expressed by Dr. Schoeck and some of the contributors to his symposium is that when governments undertake to provide comprehensive state plans for compulsory medical insurance, the mounting costs will lead to regimented preventive medicine. Dr. Schoeck raises by inference the Orwellian specter of compulsory setting up exercises, compulsory fat-free diets, compulsory rationing of cigarettes and alcoholic beverages, and other such interferences with the ancient idea that a man's home is his castle, including the type of table he may care to set in the castle's dining room. The logical authoritarian answer to high compulsory medical costs is an equally compulsory enforcement of "preventive" health standards. Well, if compulsion is to be the universal wave of the future, why not? So, one-two-three-four, bend that back.

Libertarians who would prefer to leave the promotion of any and all medical benefits to private

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hands will not fail to note that the coercive "wave of the future" has swept over "voluntary" Switzerland and Australia to some extent: both countries tax their citizens to provide relatively small amounts of subsidy money for bestowal on selected private medical insurance societies. But if one must choose between types of public health coercion, the Swiss and Australian systems are certainly greatly to be preferred to the British, German, Austrian, or Swedish variety. At least, the patient and the doctor are left free to find each other in Switzerland and Australia, on terms that are mutually agreeable. At least there is a competition between societies to serve their members. As for the U.S., it has the grand opportunity to remain with the Swiss and the Australians on the side of relative medical voluntarism. Dr. Schoeck's book illuminates a score of pitfalls and outlines at least one or two ways to relative sanity. One can hope for it a wide reading before the country makes its final choice between common sense and going off the deep end. ◈

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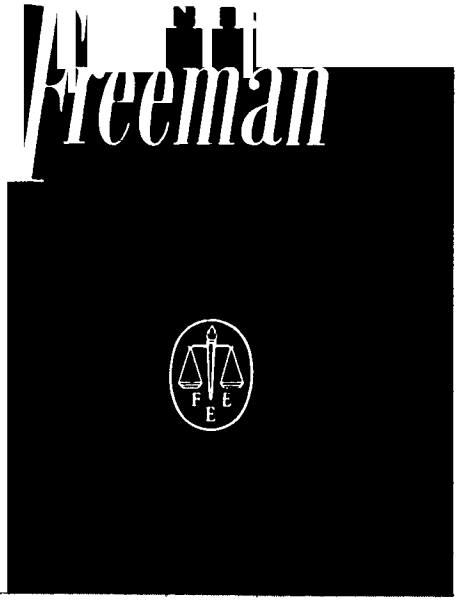

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